
State: District of Columbia **Filing Company:** The Hanover Insurance Company
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2000 Other Liability Sub-TOI Combinations
Product Name: ML Advantage Application
Project Name/Number: Specialty/ML/CW-PR-19663

Filing at a Glance

Company: The Hanover Insurance Company
Product Name: ML Advantage Application
State: District of Columbia
TOI: 17.2 Other Liability-Claims Made Only
Sub-TOI: 17.2000 Other Liability Sub-TOI Combinations
Filing Type: Form
Date Submitted: 11/15/2019
SERFF Tr Num: HNVR-132146574
SERFF Status: Submitted to State
State Tr Num:
State Status:
Co Tr Num: CW-PR-19663

Effective Date: On Approval
Requested (New):
Effective Date: On Approval
Requested (Renewal):
Author(s): Jenifer Kochis, Robert Hayden
Reviewer(s):
Disposition Date:
Disposition Status:
Effective Date (New):
Effective Date (Renewal):

State: District of Columbia **Filing Company:** The Hanover Insurance Company
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Project Name/Number: Specialty/ML/CW-PR-19663

General Information

Project Name: Specialty/ML Status of Filing in Domicile:
Project Number: CW-PR-19663 Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 11/15/2019
State Status Changed: Deemer Date:
Created By: Jenifer Kochis Submitted By: Robert Hayden
Corresponding Filing Tracking Number:

Filing Description:

The Hanover Insurance Company is updating its Management Liability Advantage Portfolio product. To better meet the needs of our insureds and for ease of doing business, we are revising renewal applications and introducing a new renewal application as well as companion applications.

In support of this filing, we have included the following:

- *Filing Memorandum
- *Revised and new applications
- *Side by side comparison of revised applications
- *Any required transmittals and/or checklists

Thank you for your attention and review of this submission. Should you have any questions regarding this filing, please contact this office.

Company and Contact

Filing Contact Information

Robert Hayden, Associate Compliance Analyst
rhayden@hanover.com
440 Lincoln Street
508-855-3138 [Phone] 3138 [Ext]
Worcester, MA 01653
508-855-4786 [FAX]

Filing Company Information

The Hanover Insurance Company	CoCode: 22292	State of Domicile: New
440 Lincoln Street	Group Code: 88	Hampshire
Worcester, MA 01653	Group Name: The Hanover Ins	Company Type: Property &
(508) 855-1000 ext. [Phone]	Group	Casualty
	FEIN Number: 13-5129825	State ID Number:

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

State: District of Columbia

Filing Company:

The Hanover Insurance Company

TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2000 Other Liability Sub-TOI Combinations

Product Name: ML Advantage Application

Project Name/Number: Specialty/ML/CW-PR-19663

Form Schedule

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data		Readability Score	Attachments
1		Private Company Advantage Renewal Application	904 7038 APP	08/19	ABE	Replaced	Previous Filing Number:	HNVR-131333786		904 7038 APP 08 19 Private Company Renewal Appln-v4.pdf
							Replaced Form Number:	904 7038 APP 12/17		
2		Nonprofit Entity Advantage Renewal Application	904 7041NP APP	08/19	ABE	Replaced	Previous Filing Number:	HNVR-131333786		904 7041NP APP 08 19 Nonprofit Renewal Appln-v3.pdf
							Replaced Form Number:	904 7041NP APP 12/17		
3		Cyber Privacy and Security Advantage Renewal Application	904 7042 APP	08/19	ABE	New				904 7042 APP 08 19 Cyber Privacy and Security Renewal Appn-v3.pdf
4		Directors and Officers Liability Companion Application	904 7044 APP	08/19	ABE	New				904 7044 APP 08 19 Directors and Officers Liability Companion Appln.pdf
5		Employment Practices Liability Companion Application	904 7045 APP	08/19	ABE	New				904 7045 APP 08 19 Employment Practices Liability Companion Appln.pdf
6		Fiduciary Liability Companion Application	904 7046 APP	08/19	ABE	New				904 7046 APP 08 19 Fiduciary Liability Companion Appln.pdf
7		Crime Companion Application	904 7047 APP	08/19	ABE	New				904 7047 APP 08 19 Crime Companion Appln-rev.pdf

Form Type Legend:

ABE	Application/Binder/Enrollment	ADV	Advertising
BND	Bond	CER	Certificate

State:	District of Columbia	Filing Company:	The Hanover Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2000 Other Liability Sub-TOI Combinations		
Product Name:	ML Advantage Application		
Project Name/Number:	Specialty/ML/CW-PR-19663		

CNR	Canc/NonRen Notice	DEC	Declarations/Schedule
DSC	Disclosure/Notice	END	Endorsement/Amendment/Conditions
ERS	Election/Rejection/Supplemental Applications	OTH	Other

Private Company Advantage

Renewal Application

Underwritten by The Hanover Insurance Company

NOTICE: THIS APPLICATION IS FOR A CLAIMS-MADE POLICY. SUBJECT TO ITS TERMS, THIS POLICY WILL APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD.

Whenever used in this Application, the bolded terms Named Insured, Executives and Claim shall have the meaning set forth in the policy and the term "Applicant" shall mean the **Named Insured** and all subsidiaries or other organizations applying for coverage.

I. NAME AND ADDRESS

Name of Applicant: _____

Address of Applicant: _____

City: _____ State: _____ Zip Code: _____ Website(s): _____

Name primary contact for insurance notices and check the box if you consent to The Hanover Insurance Company emailing you and your agent regarding periodic loss prevention and renewal information:

Name	Title	Email	Email list
			<input type="checkbox"/>

II. REQUESTED COVERAGE

Complete the chart below regarding requested coverage.

Requested Coverage Part		Requested Limits	New Coverage not currently purchased
<input type="checkbox"/>	Directors & Officers and Entity Liability	\$	<input type="checkbox"/>
<input type="checkbox"/>	Employment Practices Liability ("EPL")	\$	<input type="checkbox"/>
<input type="checkbox"/>	Fiduciary Liability	\$	<input type="checkbox"/>
<input type="checkbox"/>	Crime Coverage	\$	<input type="checkbox"/>
<input type="checkbox"/>	Kidnap & Ransom Coverage ("K&R")	\$	<input type="checkbox"/>

- Has the Applicant polled all **Executives** for any actual or potential litigation or **Claims**? ☐ Yes ☐ No
If any actual or potential **Claims**, have you reported such matters to the Insurer? ☐ Yes ☐ No ☐ N/A
- If requesting higher liability limits than expiring or new coverage, please answer the following:
 - Is any **Executive** aware of any fact, circumstance, or situation that might reasonably be expected to result in a **Claim** that would fall within the scope of the requested **Liability Coverage Parts**? ☐ Yes ☐ No ☐ N/A
 - Solely for any new coverage that has not been purchased before, has the Applicant had any prior litigation, investigation, criminal or administrative proceedings or Crime or K&R losses that would have resulted in a **Claim** that would fall within the scope of the requested **Non-Liability Coverage Parts** or **Liability Coverage Parts** in the past 5 years? ☐ Yes ☐ No ☐ N/A

If Yes to any part of question 2. attach an explanation.

III. GENERAL & FINANCIAL INFORMATION

1. Description of Applicant's Operations, NAIC code(s): _____
2. In the next 12 months (or during the past 18 months) is the Applicant contemplating (or has the Applicant completed or been in the process of completing):
 - a. Any newly created locations, entities, merger, acquisition, or divestment? ☐ Yes ☐ No
 - b. Any bankruptcy, reorganization or arrangement with creditors under federal or state law? ☐ Yes ☐ No
 - c. Any branch, location, facility or subsidiary closings, consolidations, reductions in force or layoffs? ☐ Yes ☐ No

If Yes to any part of question 2. attach an explanation.
3. Complete the chart if requesting EPL, Crime or K&R coverage.

Number of Locations Current Year	Number of Locations Previous Year	Number of Total Employees Current Year	Number of Total Employees Previous Year

4. If requesting EPL coverage, complete the chart regarding the Applicant's number of employees by zip code.

Zip Code	State / Non-U.S. Country	Number of Employees

5. Complete the financial chart for the most recent fiscal year: _____ Month _____ Year,
or check box if attaching most recent year-end financial statements instead: ☐

Financial Data	Current Year	Previous Year
Total Revenue:	\$	\$
Total Assets:	\$	\$
Current Assets:	\$	\$
Current Liabilities:	\$	\$
Long Term Debt:	\$	\$
Retained Earnings (Accumulated Deficit):	\$	\$
Total Shareholders' Equity:	\$	\$
Interest Expense:	\$	\$
Operating Income Before Interest and Taxes:	\$	\$
Net Income (Net Loss):	\$	\$
Cash Flow from Operating Activities:	\$	\$

6. With respect to any financial audit or debt covenants:
- Has an auditor issued a "going concern" opinion for the Applicant's financial statements in the past 12 months? ☐ Yes ☐ No ☐ N/A
 - Has the Applicant been out of compliance with any debt covenants in the past 12 months? ☐ Yes ☐ No ☐ N/A
 - Has the Applicant changed auditors in the last 12 months? ☐ Yes ☐ No ☐ N/A
 - Has an outside auditor stated there are any material weaknesses in the Applicant's system of internal controls? ☐ Yes ☐ No ☐ N/A
 - Has the Applicant not implemented all material recommendations of the auditor? ☐ Yes ☐ No ☐ N/A
- If Yes, to any question a. through e., attach an explanation.*

IV. DIRECTORS & OFFICERS AND ENTITY LIABILITY INFORMATION

- Within the past 12 months, has there been any change (resignations, terminations, departures, retirements, etc.) involving any Directors, Officers or other senior management? ☐ Yes ☐ No
If Yes, attach name of individual(s); date of change; and reason.
- In the next 12 months (or during the past 18 months) is the Applicant contemplating (or has the Applicant completed or been in the process of completing):
 - Any public or private offering of securities (including crowd funding/crowd financing)? ☐ Yes ☐ No
 - Any change in ownership greater than 10%? ☐ Yes ☐ No*If Yes to any part of question 2. attach an explanation.*

V. EMPLOYMENT PRACTICES LIABILITY INFORMATION

- Complete the chart regarding the Applicant's employees:

Number of Employees	Current Year	Previous Year
Full Time (not including independent contractors):		
Part Time (include leased, temporary and seasonal):		
Independent Contractors:		
Located in California:		
Voluntary Terminations:		
Involuntary Terminations (not layoffs/downsizing):		
Layoffs/Downsizing:		

- In the past 12 months, has the Applicant updated its employee handbook or human resources policies and procedures? *If Yes, attach a description of changes.* ☐ Yes ☐ No ☐ N/A
- Prior to employee terminations does the Applicant consult with human resources or outside counsel per a written HR policy? ☐ Yes ☐ No
- Does the Applicant use written Performance Improvement Plans prior to a termination? ☐ Yes ☐ No
- In the past 12 months, has the Applicant reviewed employee classification and documentation of exempt, nonexempt, and independent contractors?
If yes, and more than 25 employees were involved, was the review done with outside counsel? ☐ Yes ☐ No ☐ N/A
- Does the Applicant conduct documented anti-discrimination and anti-harassment training for employees (whether or not required by law)? ☐ Yes ☐ No

VI. FIDUCIARY LIABILITY INFORMATION

1. Complete the chart regarding the Applicant's benefit plans. *Attach additional pages if needed.*

Plan Names (Other than health & welfare plans)	Plan Assets (Current year)	Type of Plan*	Funding % (DB Only) **	Number of Plan Participants	Plan Status***
	\$		%		
	\$		%		
	\$		%		

* **Defined Contribution (DC), Defined Benefit (DB), Employee Stock Ownership (ESOP), Excess Benefit or Top Hat (EBP)**

** **Funding % is the funding percentage of current value of plan assets to the funding target (or accumulated benefit obligation)**

*** **Active (A), Frozen (F), Sold (S), Terminated (T) -Include date of termination**

2. Are all plans in compliance with plan agreements and ERISA? *If No, attach an explanation.* ☐ Yes ☐ No
3. In the past 12 months or the next 12 months has/will any plan:
- a. Be amended in a way that will result in the reduction of benefits? ☐ Yes ☐ No
- b. Contemplate or conclude any restructuring, spin-off, transfer, consolidation, merger, termination or other similar transaction? ☐ Yes ☐ No
4. During the past 12 months, has there been or is there currently any investigation or audit by the IRS, DOL, PBGC or any other state or federal agency of an employee benefit plan or any current or former fiduciary of such employee benefit plan? ☐ Yes ☐ No
- If Yes, to question 3. or 4. attach an explanation.*

VII. CRIME COVERAGE

1. Does the Applicant prohibit employees who reconcile the monthly bank statements from also:
Signing Checks ☐ Yes ☐ No, Handling deposits ☐ Yes ☐ No, Making Withdrawals ☐ Yes ☐ No
2. Does the Applicant follow a written policy or procedure to:
- a. Utilize a Master List to assist in detecting payments to unauthorized or fictitious vendors/suppliers? ☐ Yes ☐ No
- b. Verify and reconcile all invoices to corresponding purchase orders and a Master List prior to issuing payment? ☐ Yes ☐ No
- c. Authenticate all requests to change vendor/supplier bank account information received via email, phone and text with a call back to the pre-determined vendor/supplier contact and phone number prior to wire transferring any funds? ☐ Yes ☐ No
- d. Reconcile all funds transfers on the same day and by a person who did not initiate the request? ☐ Yes ☐ No
3. Does the Applicant have written policies and procedures requiring employees that process wire transfers to never process an internal request, (inclusive of requests by owners) without first validating the request with a call back to the requestor at a pre-determined work phone number or by face to face confirmation? ☐ Yes ☐ No
4. Are employees of the Applicant, particularly those that are responsible for wire transfers or that have access to company assets, provided with anti-fraud training to include how to detect phishing, spear phishing and other fraudulent social engineering schemes? ☐ Yes ☐ No
5. Are physical inventory counts conducted at least annually and reconciled with perpetual inventory systems? ☐ Yes ☐ No

VIII. KIDNAP & RANSOM COVERAGE

1. Complete the chart regarding the Applicant's foreign travel. *Attach additional pages if needed.*

City and Country Visited	Number of annual trips	Average length of stay	Number of employees traveling	Number of independent contractors traveling

2. Describe the Applicant's security precautions while traveling, both domestic and international, including use of security consultants: _____

IX. MATERIAL CHANGE

If any of the Applicants discover or become aware of any significant change in the condition of the Applicant between the date of this **Application** and the policy inception date, which would render the **Application** inaccurate or incomplete including but not limited to a new **Claim** or other matter to be reported, notice of such change will be reported in writing to us immediately and any outstanding quotation may be modified or withdrawn.

X. DECLARATIONS, NOTICE AND SIGNATURES

The submission of this Renewal Application does not obligate the **Insurer** to issue, or the Applicant to purchase, a policy. The Applicant will be advised if the **Application** for coverage is accepted. The Applicant hereby authorizes the **Insurer** to make any inquiry in connection with this **Application**.

The undersigned, acting on behalf of all Applicants, declare that to the best of their knowledge and belief, after reasonable inquiry, the statements set forth in this **Application** and in any attachments or other documents submitted with the **Application** are true and complete and were made to obtain requested information from each and every Applicant proposed for this insurance to facilitate the proper and accurate completion of this **Application**.

The undersigned agree that the information provided in this **Application** and any material submitted herewith are the representations of all the Applicants and the basis for issuance of the insurance policy should a policy providing the requested coverage be issued, and that the **Insurer** will have relied on all such materials in issuing any such policy. The undersigned further agree that the **Application** and any material submitted herewith shall be considered attached to and a part of the policy. Any material submitted with the **Application** shall be maintained on file (either electronically or paper) with us.

The information requested in this Renewal Application is for underwriting purposes only and does not constitute notice to the **Insurer** under any policy, of a **Claim** or potential **Claim**.

NOTICE TO ALABAMA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

NOTICE TO ARIZONA AND MISSOURI APPLICANTS: Claim Expenses are Inside the Policy Limits. All claim expenses shall first be subtracted from the limit of liability, with the remainder, if any, being the amount available to pay for damages.

NOTICE TO ARKANSAS, LOUISIANA AND WEST VIRGINIA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO CALIFORNIA APPLICANTS: For your protection, California law requires the following to appear on this form: Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

NOTICE TO HAWAII APPLICANTS: For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

NOTICE TO IDAHO AND OKLAHOMA APPLICANTS: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO KANSAS APPLICANTS: Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. A fraudulent insurance act means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

NOTICE TO MAINE, TENNESSEE, VIRGINIA, AND WASHINGTON APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

NOTICE TO MARYLAND APPLICANTS: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO MICHIGAN APPLICANTS: Any person who knowingly and with intent to defraud an insurance company or another person files an application for insurance containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent act, which is a crime and subjects the person to criminal and civil penalties.

NOTICE TO NEW JERSEY APPLICANTS: Any person who knowingly includes any false or misleading information on an application for an insurance policy or files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

NOTICE TO NEW HAMPSHIRE APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages.

NOTICE TO NEW MEXICO AND RHODE ISLAND APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO OREGON APPLICANTS: Any person who knowingly and with intent to defraud or solicit another to defraud any insurance company: (1) by submitting an application, or (2) by filing a claim containing a false statement as to any material fact, may be violating state law.

NOTICE TO PENNSYLVANIA APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO VERMONT APPLICANTS: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

Note: This **Application** must be signed by the chief executive officer or chief financial officer or equivalent position of the Applicant acting as the authorized representatives of the person(s) and entity(ies) proposed for this insurance.

Signature

Title

Date

Supporting Documentation: Attach a copy of the following for every Applicant seeking coverage:

- ☐ Most recent CPA prepared financial statements (for Applicants with more than \$250 million in annual revenue)
- ☐ Most recent CPA Letter to Management and Management's response. If this Letter is not issued, check here: ☐
- ☐ Directors & Officers and Entity Liability: Any applicable securities offering memorandum
- ☐ Employment Practices Liability: Most recent EEO-1 report (for Applicants with more than 500 employees)
- ☐ For any employee stock ownership plan (ESOP): (1) ESOP valuation report and (2) any regulatory audit letter

Produced By: Agent: _____ Agency: _____

Agent License No.: _____ Agent Signature: _____

Nonprofit Entity Advantage

Renewal Application

Underwritten by The Hanover Insurance Company

NOTICE: THIS APPLICATION IS FOR A CLAIMS-MADE POLICY. SUBJECT TO ITS TERMS, THIS POLICY WILL APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD.

Whenever used in this Application, the bolded terms Named Insured, Executives and Claim shall have the meaning set forth in the policy and the term "Applicant" shall mean the **Named Insured** and all subsidiaries or other organizations applying for coverage.

I. NAME AND ADDRESS

Name of Applicant: _____

Address of Applicant: _____

City: _____ State: _____ Zip Code: _____ Website(s): _____

Name primary insurance contact for insurance notices and check the box if you consent to The Hanover Insurance Company emailing you and your agent regarding periodic loss prevention and renewal information:

Name	Title	Email	Email list
			<input type="checkbox"/>

II. REQUESTED COVERAGE

Complete the chart below regarding requested coverage.

Requested Coverage Part		Requested Limits	New Coverage not currently purchased
<input type="checkbox"/>	Directors & Officers and Entity Liability	\$	<input type="checkbox"/>
<input type="checkbox"/>	Employment Practices Liability	\$	<input type="checkbox"/>
<input type="checkbox"/>	Fiduciary Liability	\$	<input type="checkbox"/>
<input type="checkbox"/>	Crime Coverage	\$	<input type="checkbox"/>
<input type="checkbox"/>	Kidnap & Ransom Coverage	\$	<input type="checkbox"/>

- Has the Applicant polled all **Executives** for any actual or potential litigation or **Claims**? ☐ Yes ☐ No
If any actual or potential **Claims**, have you reported such matters to the Insurer? ☐ Yes ☐ No ☐ N/A
- If requesting higher liability limits than expiring or new coverage, please answer the following:
 - Is any **Executive** aware of any fact, circumstance, or situation that might reasonably be expected to result in a **Claim** that would fall within the scope of the requested **Liability Coverage Parts**? ☐ Yes ☐ No ☐ N/A
 - Solely for any new coverage that has not been purchased before, has the Applicant had any prior litigation, investigation, criminal or administrative proceedings or Crime or K&R losses that would have resulted in a **Claim** that would fall within the scope of the requested **Non-Liability Coverage Parts** or **Liability Coverage Parts** in the past 5 years? ☐ Yes ☐ No ☐ N/A
If Yes to any part of question 2. attach an explanation.

III. GENERAL & FINANCIAL INFORMATION

1. Description of Applicant's Operations: NAIC code(s): _____
2. In the next 12 months (or during the past 18 months) is the Applicant contemplating (or has the Applicant completed or been in the process of completing):
- a. Any newly created locations, entities, merger, acquisition, or divestment? ☐ Yes ☐ No
 - b. Any bankruptcy, reorganization or arrangement with creditors under federal or state law? ☐ Yes ☐ No
 - c. Any branch, location, facility or subsidiary closings, consolidations, reductions in force or layoffs? ☐ Yes ☐ No
- If Yes to any part of question 2. attach an explanation.*
3. Complete the chart if requesting EPL, Crime or K&R coverage.

Number of Locations Current Year	Number of Locations Previous Year	Number of Employees Current Year	Number of Employees Previous Year

4. If requesting EPL coverage, complete the chart regarding the Applicant's number of employees by zip code.

Zip Code	State / Non-U.S. Country	Number of Employees

5. Complete the financial chart for the most recent fiscal year: _____ Month _____ Year,
or check box if attaching most recent year-end financial statements instead: ☐

Financial Data	Current Year	Previous Year
Total Assets:	\$	\$
Net Assets (Fund Balance):	\$	\$
Net Income (Net Loss):	\$	\$

6. With respect to any financial audit or debt covenants:
- a. Has an auditor issued a "going concern" opinion for the Applicant's financial statements in the past 12 months? ☐ Yes ☐ No ☐ N/A
 - b. Has the Applicant been out of compliance with any debt covenants in the past 12 months? ☐ Yes ☐ No ☐ N/A
 - c. Has the Applicant changed auditors in the last 12 months? ☐ Yes ☐ No ☐ N/A
- If Yes, to any question a. through c. attach an explanation*

IV. DIRECTORS & OFFICERS AND ENTITY LIABILITY INFORMATION

1. Within the past 12 months, has there been any change (resignations, terminations, departures, retirements, etc.) involving any Directors, Officers or other senior management? ☐ Yes ☐ No
If Yes, attach name of individual(s); date of change; and reason.
2. Does the Applicant own or control any for-profit subsidiaries? *If yes, provide name, nature of operations and the attach latest financials.* ☐ Yes ☐ No

V. EMPLOYMENT PRACTICES LIABILITY INFORMATION

1. Complete the chart regarding the Applicant's employees:

Number of Employees	Current Year	Previous Year
Full Time (not including independent contractors):		
Part Time (include leased, temporary and seasonal):		
Independent Contractors:		
Volunteers:		
Located in California:		
Voluntary Terminations:		
Involuntary Terminations (not layoffs/downsizing):		
Layoffs/Downsizing:		

2. In the past 12 months, has the Applicant updated its employee handbook or human resources policies and procedures? *If Yes, attach a description of changes.* ☐ Yes ☐ No ☐ N/A
3. Prior to employee terminations does the Applicant consult with human resources or outside counsel per a written HR policy? ☐ Yes ☐ No
4. Does the Applicant use written Performance Improvement Plans prior to a termination? ☐ Yes ☐ No
5. In the past 12 months, has the Applicant reviewed employee classification and documentation of exempt, nonexempt, and independent contractors? ☐ Yes ☐ No
If yes, and more than 25 employees were involved, was the review done with outside counsel? ☐ Yes ☐ No ☐ N/A
6. Does the Applicant conduct documented anti-discrimination and anti-harassment training for employees (whether or not required by law)? ☐ Yes ☐ No

VI. FIDUCIARY LIABILITY INFORMATION

1. Complete the chart regarding the Applicant's benefit plans. *Attach additional pages if needed.*

Plan Names (Other than health & welfare plans)	Plan Assets (Current year)	Type of Plan*	Funding % (DB Only) **	Number of Plan Participants	Plan Status***
	\$		%		
	\$		%		
	\$		%		

* Defined Contribution (DC), Defined Benefit (DB), Excess Benefit or Top Hat (EBP)

** Funding % is the funding percentage of current value of plan assets to the funding target (or accumulated benefit obligation)

*** Active (A), Frozen (F), Sold (S), Terminated (T) -Include date of termination

2. Are all plans in compliance with plan agreements and ERISA? *If No, attach an explanation.* ☐ Yes ☐ No
3. In the past 12 months or the next 12 months has/will any plan:
- a. Be amended in a way that will result in the reduction of benefits? ☐ Yes ☐ No
- b. Contemplate or conclude any restructuring, spin-off, transfer, consolidation, merger, termination or other similar transaction? ☐ Yes ☐ No
4. During the past 12 months, has there been or is there currently any investigation or audit by the IRS, DOL, PBGC or any other state or federal agency of an employee benefit plan or any current or former fiduciary of such employee benefit plan? ☐ Yes ☐ No
- If Yes, to question 3 or 4 attach an explanation.*

VII. CRIME COVERAGE

1. Does the Applicant prohibit employees who reconcile the monthly bank statements from also:
- Signing Checks ☐ Yes ☐ No
- Handling Deposits ☐ Yes ☐ No
- Making Withdrawals ☐ Yes ☐ No
2. Does the Applicant follow a written policy or procedure to:
- a. Utilize a Master List to assist in detecting payments to unauthorized or fictitious vendors/suppliers? ☐ Yes ☐ No
- b. Verify and reconcile all invoices to corresponding purchase orders and a Master List prior to issuing payment? ☐ Yes ☐ No
- c. Authenticate all requests to change vendor/supplier bank account information received via email, phone and text with a call back to the pre-determined vendor/supplier contact and phone number prior to wire transferring any funds? ☐ Yes ☐ No
- d. Reconcile all funds transfers on the same day and by a person who did not initiate the request? ☐ Yes ☐ No
3. Does the Applicant have written policies and procedures requiring employees that process wire transfers to never process an internal request, (inclusive of requests by owners) without first validating the request with a call back to the requestor at a pre-determined work phone number or by face to face confirmation? ☐ Yes ☐ No
4. Are employees of the Applicant, particularly those that are responsible for wire transfers or that have access to company assets, provided with anti-fraud training to include how to detect phishing, spear phishing and other fraudulent social engineering schemes? ☐ Yes ☐ No

VIII. KIDNAP & RANSOM COVERAGE

1. Complete the chart regarding the Applicant's foreign travel. *Attach additional pages if needed.*

City and Country Visited	Number of annual trips	Average length of stay	Number of employees traveling	Number of independent contractors traveling

2. Describe the Applicant's security precautions while traveling, both domestic and international, including use of security consultants: _____

IX. MATERIAL CHANGE

If any of the Applicants discover or become aware of any significant change in the condition of the Applicant between the date of this **Application** and the policy inception date, which would render the **Application** inaccurate or incomplete including but not limited to a new **Claim** or other matter to be reported, notice of such change will be reported in writing to us immediately and any outstanding quotation may be modified or withdrawn.

X. DECLARATIONS, NOTICE AND SIGNATURES

The submission of this Renewal Application does not obligate the **Insurer** to issue, or the Applicant to purchase, a policy. The Applicant will be advised if the **Application** for coverage is accepted. The Applicant hereby authorizes the **Insurer** to make any inquiry in connection with this **Application**.

The undersigned, acting on behalf of all Applicants, declare that to the best of their knowledge and belief, after reasonable inquiry, the statements set forth in this **Application** and in any attachments or other documents submitted with the **Application** are true and complete and were made to obtain requested information from each and every Applicant proposed for this insurance to facilitate the proper and accurate completion of this **Application**.

The undersigned agree that the information provided in this **Application** and any material submitted herewith are the representations of all the Applicants and the basis for issuance of the insurance policy should a policy providing the requested coverage be issued, and that the **Insurer** will have relied on all such materials in issuing any such policy. The undersigned further agree that the **Application** and any material submitted herewith shall be considered attached to and a part of the policy. Any material submitted with the **Application** shall be maintained on file (either electronically or paper) with us.

The information requested in this Renewal Application is for underwriting purposes only and does not constitute notice to the **Insurer** under any policy, of a **Claim** or potential **Claim**.

NOTICE TO ALABAMA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

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NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

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NOTICE TO IDAHO AND OKLAHOMA APPLICANTS: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO KANSAS APPLICANTS: Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. A fraudulent insurance act means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

NOTICE TO MAINE, TENNESSEE, VIRGINIA, AND WASHINGTON APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

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NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO OREGON APPLICANTS: Any person who knowingly and with intent to defraud or solicit another to defraud any insurance company: (1) by submitting an application, or (2) by filing a claim containing a false statement as to any material fact, may be violating state law.

NOTICE TO PENNSYLVANIA APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO VERMONT APPLICANTS: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

Note: This **Application** must be signed by the chief executive officer or chief financial officer or equivalent position of the Applicant acting as the authorized representatives of the person(s) and entity(ies) proposed for this insurance.

Signature

Title

Date

Supporting Documentation: Attach a copy of the following for every Applicant seeking coverage:

- ☐ Most recent CPA prepared financial statements (for Applicants with more than \$25 million in Total Assets)
- ☐ Most recent CPA Letter to Management and Management's response. If this Letter is not issued, check here: ☐
- ☐ Employment Practices Liability: Most recent EEO-1 report (for Applicants with more than 500 employees)

Produced By: Agent: _____ Agency: _____

Agent License No.: _____ Agent Signature: _____

Cyber Privacy and Security Advantage

Renewal Application

Underwritten by The Hanover Insurance Company

NOTICE: THIS APPLICATION IS FOR A CLAIMS-MADE POLICY. SUBJECT TO ITS TERMS, THIS POLICY WILL APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD.

Whenever used in this Application, the bolded terms Named Insured, Executives and Claim shall have the meaning set forth in the policy and the term "Applicant" shall mean the **Named Insured** and all subsidiaries or other organizations applying for coverage.

I. NAME AND ADDRESS

Name of Applicant: _____

Address of Applicant: _____

City: _____ State: _____ Zip Code: _____ Website(s): _____

Name primary contact for insurance notices and check the box if you consent to The Hanover Insurance Company emailing you and your agent regarding periodic loss prevention and renewal information:

Name	Title	Email	Email list
			<input type="checkbox"/>

II. REQUESTED COVERAGE

Complete the chart below regarding requested coverage.

Requested Insuring Agreements		Offer Expiring Limits	Newly Requested Limit	Newly Requested Retention
<input type="checkbox"/>	Privacy and Security Liability	<input type="checkbox"/>	\$	\$
<input type="checkbox"/>	Cyber Media Liability	<input type="checkbox"/>	\$	\$
<input type="checkbox"/>	Breach Event Expenses	<input type="checkbox"/>	\$	\$
<input type="checkbox"/>	Breach Reward Expenses	<input type="checkbox"/>	\$	\$
<input type="checkbox"/>	Breach Restoration Expenses	<input type="checkbox"/>	\$	\$
<input type="checkbox"/>	Cyber Investigations	<input type="checkbox"/>	\$	\$
<input type="checkbox"/>	Cyber Business Interruption and Extra Expense	<input type="checkbox"/>	\$	\$
<input type="checkbox"/>	Cyber Extortion	<input type="checkbox"/>	\$	\$
<input type="checkbox"/>	Cyber Theft	<input type="checkbox"/>	\$	\$

- Has the Applicant polled all **Executives** for any actual or potential litigation or **Claims**? ☐ Yes ☐ No
If any actual or potential **Claims**, have you reported such matters to the Insurer? ☐ Yes ☐ No ☐ N/A
- If requesting higher liability limits than expiring or new coverage for Privacy and Security Liability or Cyber Media Liability, please answer the following:

Is any **Executive** aware of any fact, circumstance, or situation that might reasonably be expected to result in a **Claim** that would fall within the scope of the requested insuring agreements?

☐ Yes ☐ No ☐ N/A

If Yes to question 2. attach an explanation.

III. GENERAL INFORMATION

- Description of Applicant's Operations, NAIC code(s): _____
- Complete the financial chart for the most recent fiscal year: ____ Month ____ Year,
or check box if attaching most recent year-end financial statements instead: ☐

Financial Data	Current Year	Previous Year
Total Revenue:	\$	\$
Total Assets:	\$	\$
Total Shareholders' Equity or Net Assets:	\$	\$
Net Income (Net Loss):	\$	\$

IV. CYBER PRIVACY AND SECURITY COVERAGE

General Information

- Number of on-line customers: _____ Gross Revenue from on-line sales or services: _____
- List the estimated number of records that contain each of the following sensitive data types from past, present or future individuals or firms such as customers, vendors or employees.

Sensitive Data	Sensitive Data Description	Number Scope	Number
Payment Card Industry (PCI)	Credit/Debit Card data addressed by Payment Card Industry Security Standards	12 Month Card Transactions	
Health Care Information (HCI)	Healthcare data subject to HIPAA Privacy and Security Rules from employees or patients	Unique People currently stored	
Other Personally Identifiable Information (PII)	Other Data not counted above protected by foreign, federal or state Identity Theft or Data Privacy Laws such as Social Security, Driver's License, Financial Account, Tax ID or Biometric Information	Unique People and Firms currently stored	

Data Privacy Rights Exposures and Procedures

- Do you capture biometric information from individuals, including employees, who live in states or countries with laws regulating Biometric Information usage and disclosure (such as Illinois' BIPA or the EU's GDPR)? ☐Yes ☐No
- Do you have individuals, including employees, for whom you capture HCI and PII information, provide consent and confirm review of your privacy policies which fully explain how you intend to capture, store, transmit, use and dispose of such information? ☐Yes ☐No ☐N/A
- If yes to questions 3. and 4. above, have you ever collected such information without confirmation and consent? If yes, please explain. ☐Yes ☐No ☐N/A
- Do you have validated procedures to correct, erase or display any HCI or PII records or to show in some fashion how such records are processed, if requested by an individual, that are in compliance with GDPR or any other similar privacy law? ☐Yes ☐No ☐N/A

Computer Security Controls and Procedures

- Does the Applicant have the following written plans and/or services? (check all that apply)

☐ Information Security Policies
☐ Cyber Incident Response Plan

☐ Cyber Risk Assessment
☐ Computer Business Continuity or Disaster Recovery Plan

 - Have you updated / tested any of these plans in the last 12 months? ☐Yes ☐No
 - Do your Cyber Incident and Disaster Recovery plans have pre-assigned people and vendors with current contact information assigned to critical tasks? ☐Yes ☐No

IMPORTANT: Hanover offers its policyholders the opportunity to contract with a Cyber Risk Management Service provider for such Plans, Pre-Assignment and Testing. See your agent for details.

8. Which of the following does the Applicant currently have in place? (check all that apply):
- | | |
|---|--|
| <input type="checkbox"/> Active/updated firewall and anti-virus | <input type="checkbox"/> Smart passwords & required changes |
| <input type="checkbox"/> Active/updated email anti-malware | <input type="checkbox"/> Multi-Factor Authentication |
| <input type="checkbox"/> Physical POS terminal monitoring | <input type="checkbox"/> Sensitive data segmentation and procedures |
| <input type="checkbox"/> Intrusion detection software | <input type="checkbox"/> Account monitoring and control |
| <input type="checkbox"/> Key card access | <input type="checkbox"/> Continuous vulnerability assessment & remediation |
| <input type="checkbox"/> Remote access VPN | <input type="checkbox"/> Change of default passwords / settings |
9. Do you have a backup system for software and data? If so, check all that apply: ☐ Yes ☐ No
- ☐ Separated from the network ☐ Backed up weekly ☐ Tested annually ☐ Operational within 24 hours
10. Has the Applicant created any new website or mobile applications for its customers in the last 12 months? If Yes: ☐ Yes ☐ No
- a. Did the Applicant do this in-house? ☐ Yes ☐ No ☐ N/A
- b. Was the application scanned for vulnerabilities using the latest software? ☐ Yes ☐ No ☐ N/A
11. In the next 12 months (or during the past 18 months) is the Applicant contemplating (or has the Applicant completed or been in the process of completing):
- a. Any change in the position responsible for information security? ☐ Yes ☐ No
- b. Any bankruptcy, reorganization or arrangement with creditors under federal or state law? ☐ Yes ☐ No
- c. Any newly created entities, merger, acquisition, or divestment? ☐ Yes ☐ No
- If Yes to any part of question 11. attach an explanation.*
12. If there have been any acquisitions within the last 24 months, are you on plan to complete or have you completed the integration of the above policies and systems noted in questions 3. through 10. above, within 12 months of such acquisition? ☐ Yes ☐ No ☐ N/A
- If No, attach an explanation.*

V. MATERIAL CHANGE

If any of the Applicants discover or become aware of any significant change in the condition of the Applicant between the date of this **Application** and the policy inception date, which would render the **Application** inaccurate or incomplete, notice of such change will be reported in writing to us immediately and any outstanding quotation may be modified or withdrawn.

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Note: This **Application** must be signed by the chief executive officer or chief financial officer or equivalent position of the Applicant acting as the authorized representatives of the person(s) and entity(ies) proposed for this insurance.

Signature

Title

Date

Supporting Documentation: Attach a copy of the following for every Applicant seeking coverage:

☐ Most recent CPA prepared financial statements (for Applicants with more than \$250 Million in annual revenue)

Produced By: Agent: _____ Agency: _____

Agent License No.: _____ Agent Signature: _____

Directors and Officers Liability

Companion Application

Underwritten by The Hanover Insurance Company

NOTICE: THIS APPLICATION IS FOR A CLAIMS-MADE POLICY. SUBJECT TO ITS TERMS, THIS POLICY WILL APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD.

Whenever used in this Application, the bolded terms Named Insured, Executives and Claim shall have the meaning set forth in the policy and the term "Applicant" shall mean the **Named Insured** and all subsidiaries or other organizations applying for coverage.

I. NAME AND ADDRESS

Name of Applicant: _____

Address of Applicant: _____

City: _____ State: _____ Zip Code: _____

II. GENERAL INFORMATION

1. Operations:
 - a. Year established: _____
 - b. Applicant's Website(s): _____
 - c. Description of Applicant's Operations: _____
 - d. What is the Applicant's Standard Industrial Classification (SIC) code: _____
 - e. What is the Applicant's North American Industrial Classification System (NAICS) code: _____
2. Does the Applicant have any subsidiaries, franchises, or joint ventures for which coverage is requested? *If Yes, attach a list of names, % of ownership and nature of operations for each.* ☐ Yes ☐ No
3. Foreign Exposure:
 - a. Is the Applicant owned by a foreign (Non-U.S.) organization? ☐ Yes ☐ No
 - b. Does the applicant have any of the following:

1) Subsidiaries domiciled outside the U.S.?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2) Branch or representative offices outside the U.S.?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3) Joint ventures or partnerships with third parties outside the U.S.?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4) Sales outside the U.S.?	<input type="checkbox"/> Yes <input type="checkbox"/> No

III. DIRECTORS AND OFFICERS AND ENTITY LIABILITY INFORMATION

Complete the chart for all Shareholders owning more than 10%, add additional pages as needed.

Shareholder	Percentage of Voting Shares Owned > 10% Only	Director or Officer	Related by family to another Director or Officer
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

If any family relationships noted in the last column in the table above attach an explanation.

1. Total Number of Shareholders: _____
2. Is any shareholder a trust that qualifies as an Employee Stock Ownership Plan under ERISA? *If Yes, attach the most recent stock valuation report.* ☐ Yes ☐ No

3. Has any **Executive** of the Applicant disclosed to the Board of Directors any conflicts of interest in regards to any specific contracts or dealings with family members, competitors, customers or vendors? *If Yes, attach an explanation.* ☐Yes ☐No
4. Check the following corporate governance controls and procedures the Applicant has in place:
☐ Anti-trust training ☐ Family Employment Policy ☐ Anti-Bribery FCPA Training
☐ Conflict of Interest Policy ☐ Ethics Hotline ☐ Board Level Audit Committee
5. Do you have a code of conduct or use signed contracts, such as offer letters, that require employees and independent contractors not disseminate or use previous employers' or clients' trade secrets, customer lists or other intellectual property? ☐Yes ☐No ☐N/A

IV. DECLARATIONS, NOTICE AND SIGNATURES

The undersigned, acting on behalf of all Applicants, declare that to the best of their knowledge and belief, after reasonable inquiry, the statements set forth in this **Application** and in any attachments or other documents submitted with the **Application** are true and complete and were made to obtain requested information from each and every Applicant proposed for this insurance to facilitate the proper and accurate completion of this **Application**.

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Note: This **Application** must be signed by the chief executive officer or chief financial officer or equivalent position of the Applicant acting as the authorized representatives of the person(s) and entity(ies) proposed for this insurance.

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Title

Date

Produced By: Agent: _____ Agency: _____

Agent License No.: _____ Agent Signature: _____

Employment Practices Liability

Companion Application

Underwritten by The Hanover Insurance Company

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I. NAME AND ADDRESS

Name of Applicant: _____

Address of Applicant: _____

City: _____ State: _____ Zip Code: _____

II. GENERAL INFORMATION

1. Operations:
 - a. Year established: _____
 - b. Applicant's Website(s): _____
 - c. Description of Applicant's Operations: _____
 - d. What is the Applicant's Standard Industrial Classification (SIC) code: _____
 - e. What is the Applicant's North American Industrial Classification System (NAICS) code: _____
2. Does the Applicant have any subsidiaries, franchises, or joint ventures for which coverage is requested? *If Yes, attach a list of names, % of ownership and nature of operations for each.* ☐ Yes ☐ No
3. Foreign Exposure:
 - a. Is the Applicant owned by a foreign (Non-U.S.) organization? ☐ Yes ☐ No
 - b. Does the applicant have any of the following:

1) Subsidiaries domiciled outside the U.S.?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2) Branch or representative offices outside the U.S.?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3) Joint ventures or partnerships with third parties outside the U.S.?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4) Sales outside the U.S.?	<input type="checkbox"/> Yes <input type="checkbox"/> No

III. EMPLOYMENT PRACTICES LIABILITY INFORMATION

1. What percentage of the Applicant's Employees currently earn:
 - a. Less than \$60,000 annually? _____%
 - b. More than \$120,000 annually? _____%
2. Does the Applicant have written procedures in place regarding:

a. Equal Opportunity Employment	<input type="checkbox"/> Yes <input type="checkbox"/> No
b. Anti- Discrimination and Anti-Harassment	<input type="checkbox"/> Yes <input type="checkbox"/> No
c. Employment at Will	<input type="checkbox"/> Yes <input type="checkbox"/> No
d. Multiple avenues of reporting employee complaints	<input type="checkbox"/> Yes <input type="checkbox"/> No
e. ADA and FMLA accommodations	<input type="checkbox"/> Yes <input type="checkbox"/> No
f. Social Media and Computer/Network Usage	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Does the Applicant:

a. Distribute and document the receipt of an employee handbook to all employees?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b. Conduct written annual performance evaluations?	<input type="checkbox"/> Yes <input type="checkbox"/> No
c. Have a full-time human resources manager or department?	<input type="checkbox"/> Yes <input type="checkbox"/> No
d. Use written Performance Improvement Plans prior to a termination?	<input type="checkbox"/> Yes <input type="checkbox"/> No
e. Review all terminations with human resources or in-house / outside counsel?	<input type="checkbox"/> Yes <input type="checkbox"/> No
f. Review all adverse employment changes involving ADA or FMLA with in-house / outside counsel?	<input type="checkbox"/> Yes <input type="checkbox"/> No

- g. Conduct training regarding anti-discrimination and anti-harassment policies and procedures using in-house human resource staff or an outside vendor? ☐Yes ☐No ☐N/A
- h. If over 25 employees, review an audit with outside counsel at least every two years regarding employee classification and wage and hour documentation of exempt vs. nonexempt and Independent Contractors? ☐Yes ☐No ☐N/A
4. If over 1,000 employees, do you review pay practices for inequities among protected classes? ☐Yes ☐No ☐N/A
5. Does the Applicant have written policies and procedures:
- a. Outlining employee and Independent Contractor conduct when dealing with third parties, including non-discrimination and non-harassment statements? ☐Yes ☐No
- b. For responding to complaints of harassment, discrimination or civil rights violations from third parties? ☐Yes ☐No

If No for questions 2.,3., 4. or 5., attach an explanation.

IV. DECLARATIONS, NOTICE AND SIGNATURES

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Supporting Documentation: Attach a copy of the following for every Applicant seeking coverage:

- ☐ Employment Practices Liability (for Applicants with more than 500 employees):
- | | |
|--|---|
| <input type="checkbox"/> Employee handbook | <input type="checkbox"/> Employment application form |
| <input type="checkbox"/> Most recent EEO-1 | <input type="checkbox"/> Third party policies and statements, if requesting such coverage |

Produced By: Agent: _____ Agency: _____

Agent License No.: _____ Agent Signature: _____

Fiduciary Liability

Companion Application

Underwritten by The Hanover Insurance Company

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Name of Applicant: _____

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City: _____ State: _____ Zip Code: _____

II. FIDUCIARY LIABILITY INFORMATION

1. Are plans and guidelines reviewed and updated annually for compliance with plan agreements, ERISA, written investment guidelines, and Health Insurance Portability and Accountability Act (HIPAA)? *If No, attach an explanation.* ☐ Yes ☐ No
2. Does the Applicant handle any investment decisions in-house? *If Yes, attach an explanation.* ☐ Yes ☐ No
3. Has any employee benefit plan:
 - a. Invested in securities of the Applicant? ☐ Yes ☐ No
 - b. Invested in more than 10% of any entity other than the Applicant or a pooled investment vehicle such as a mutual fund? ☐ Yes ☐ No
 - c. Loaned or pledged any employee benefit plan assets to any party-in-interest (including the Applicant)? ☐ Yes ☐ No
4. During the past 12 months, has there been or is there currently any investigation or audit by the IRS, DOL, PBGC or any other state or federal agency of an employee benefit plan or any current or former fiduciary of such employee benefit plan? ☐ Yes ☐ No

If Yes, to question 3. or 4. attach an explanation.

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Signature

Title

Date

Supporting Documentation: please attach a copy of the following for every Applicant seeking coverage:

- ☐ For any employee stock ownership plan (ESOP): (1) ESOP valuation report and (2) any regulatory audit letter

Produced By: Agent: _____ Agency: _____

Agent License No.: _____ Agent Signature: _____

Companion Application

Underwritten by The Hanover Insurance Company

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III. CRIME COVERAGE

Basic Crime Controls

1. Is there a documented system of internal control policies/procedures? ☐ Yes ☐ No
2. Does the Applicant have an internal audit department?
If no, is there someone with internal audit responsibilities? ☐ Yes ☐ No
☐ Yes ☐ No
3. Does the Applicant perform or verify the following for new employees? (check all that apply):
☐ Reference checks ☐ Drug testing ☐ Prior employment ☐ Credit history ☐ Criminal history
4. Are reference checks done on all independent contractors? ☐ Yes ☐ No ☐ N/A
5. Does the Applicant have controls within its human resources and/or payroll operations that prevent the input of fictitious employees and salaries into your payroll systems? ☐ Yes ☐ No
6. Are passwords and access codes changed regularly and when users are terminated? ☐ Yes ☐ No
7. Are all newly acquired organizations within 12 months of their acquisition, and all current foreign locations using the same computer system security and financial audit controls as other similar domestic locations?
If No, attach an explanation. ☐ Yes ☐ No ☐ N/A

Bank Account Controls

8. With regards to checking:
- a. Are all incoming checks stamped "For Deposit Only"? ☐ Yes ☐ No
 - b. Is a report of payments (made by check or wire transfer) generated and reviewed monthly for unusual payments by separate people who did not process the transactions? ☐ Yes ☐ No
 - c. Do you require countersignatures on checks? If Yes, at what level: \$_____ ☐ Yes ☐ No
9. Is your employee, who has responsibility to reconcile monthly bank statements, prohibited from also (check all that apply):
- a. Signing checks? ☐ Yes ☐ No
 - b. Handling deposits? ☐ Yes ☐ No
 - c. Making withdrawals? ☐ Yes ☐ No

Vendors

10. Does the Applicant verify and reconcile all invoices to purchase orders and the Master Vendor List before making any payments? ☐ Yes ☐ No
11. Does the Applicant have procedures in place to verify the authenticity and ownership of new vendors before adding them to the Master Vendor List? ☐ Yes ☐ No
- If so, is the employee who verifies the new vendor restricted from editing the Master Vendor List? ☐ Yes ☐ No
12. Is the Master Vendor List utilized to assist in detecting payments to unauthorized or fictitious vendors or suppliers during an internal audit or reconciliation process? ☐ Yes ☐ No

Funds Transfers

13. Regarding funds transfer requests:
- a. Does your staff do more than one funds transfer request a month? ☐ Yes ☐ No
 - b. Is dual authorization required for all wire transfers? ☐ Yes ☐ No
 - c. Are funds transfers reconciled the same day by a person who did not initiate the request? ☐ Yes ☐ No
 - d. Are employees that are responsible for funds transfers provided anti-fraud training, including detection of false pretenses, social engineering, phishing or other confidence scams? ☐ Yes ☐ No
- If so, does this training include not replying to the initiating request email or phone number, but using the master list contact information to reply to the request? ☐ Yes ☐ No

Inventory, Physical Controls and Services

14. Indicate any of the following characteristics that apply to your business operations (please check all that apply):
- | | | |
|---|---|---|
| <input type="checkbox"/> Computer chips | <input type="checkbox"/> Art collection or other valuable collectibles | <input type="checkbox"/> Precious metals or gemstones |
| <input type="checkbox"/> Narcotics | <input type="checkbox"/> Special secured/locked retail inventory | <input type="checkbox"/> Warehousing Operations |
| <input type="checkbox"/> Alcohol or Tobacco | <input type="checkbox"/> Care, custody and control of clients' property | <input type="checkbox"/> Managed assets of others |
- If any of the above are checked, attach an explanation as to how such exposures are restricted, controlled and monitored.
15. Regarding inventory:
- a. Are the duties of purchasing, receiving, storekeeping and shipping separate so that no one person can control these functions from beginning to end? ☐ Yes ☐ No
 - b. Is a physical count of inventory conducted at least annually? If Yes, how many times per year? _____ ☐ Yes ☐ No
 - c. Is a perpetual inventory maintained for retail/warehouse inventory or manufacture stock/scrap/finished goods? ☐ Yes ☐ No ☐ N/A
 - d. Do you have alarms and video cameras installed in your warehouse and plants? ☐ Yes ☐ No ☐ N/A
 - e. Do you warehouse for others? If yes, what are you warehousing? _____ ☐ Yes ☐ No ☐ N/A
16. Describe any services the Applicant provides for clients: _____
17. Attach any details as you desire for any "No" responses to questions 2 through 15 by listing the question number and such details.

IV. DECLARATIONS, NOTICE AND SIGNATURES

The submission of this New Business Application does not obligate the **Insurer** to issue, or the Applicant to purchase, a policy. The Applicant will be advised if the **Application** for coverage is accepted. The Applicant hereby authorizes the **Insurer** to make any inquiry in connection with this **Application**.

The undersigned, acting on behalf of all Applicants, declare that to the best of their knowledge and belief, after reasonable inquiry, the statements set forth in this **Application** and in any attachments or other documents submitted with the **Application** are true and complete and were made to obtain requested information from each and every Applicant proposed for this insurance to facilitate the proper and accurate completion of this **Application**.

The undersigned agree that the information provided in this **Application** and any material submitted herewith are the representations of all the Applicants and the basis for issuance of the insurance policy should a policy providing the requested coverage be issued, and that the **Insurer** will have relied on all such materials in issuing any such policy. The undersigned further agree that the **Application** and any material submitted herewith shall be considered attached to and a part of the policy. Any material submitted with the **Application** shall be maintained on file (either electronically or paper) with us.

The information requested in this New Business Application is for underwriting purposes only and does not constitute notice to the **Insurer** under any policy, of a **Claim** or potential **Claim**.

NOTICE TO ALABAMA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

NOTICE TO ARIZONA AND MISSOURI APPLICANTS: Claim Expenses are Inside the Policy Limits. All claim expenses shall first be subtracted from the limit of liability, with the remainder, if any, being the amount available to pay for damages.

NOTICE TO ARKANSAS, LOUISIANA AND WEST VIRGINIA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO CALIFORNIA APPLICANTS: For your protection, California law requires the following to appear on this form: Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

NOTICE TO HAWAII APPLICANTS: For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

NOTICE TO IDAHO AND OKLAHOMA APPLICANTS: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO KANSAS APPLICANTS: Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. A fraudulent insurance act means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows

to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

NOTICE TO MAINE, TENNESSEE, VIRGINIA, AND WASHINGTON APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

NOTICE TO MARYLAND APPLICANTS: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO MICHIGAN APPLICANTS: Any person who knowingly and with intent to defraud an insurance company or another person files an application for insurance containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent act, which is a crime and subjects the person to criminal and civil penalties.

NOTICE TO NEW JERSEY APPLICANTS: Any person who knowingly includes any false or misleading information on an application for an insurance policy or files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

NOTICE TO NEW HAMPSHIRE APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages.

NOTICE TO NEW MEXICO AND RHODE ISLAND APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO OREGON APPLICANTS: Any person who knowingly and with intent to defraud or solicit another to defraud any insurance company: (1) by submitting an application, or (2) by filing a claim containing a false statement as to any material fact, may be violating state law.

NOTICE TO PENNSYLVANIA APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO VERMONT APPLICANTS: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

Note: This **Application** must be signed by the chief executive officer or chief financial officer or equivalent position of the Applicant acting as the authorized representatives of the person(s) and entity(ies) proposed for this insurance.

Signature

Title

Date

Produced By: Agent: _____ Agency: _____

Agent License No.: _____ Agent Signature: _____

State:	District of Columbia	Filing Company:	The Hanover Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2000 Other Liability Sub-TOI Combinations		
Product Name:	ML Advantage Application		
Project Name/Number:	Specialty/ML/CW-PR-19663		

Supporting Document Schedules

Bypassed - Item:	Readability Certificate
Bypass Reason:	N/A - not applicable to this filing
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Consulting Authorization
Bypass Reason:	N/A - we are not a third party filer
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Copy of Trust Agreement
Bypass Reason:	N/A - not applicable to this filing
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Expedited SERFF Filing Transmittal Form
Bypass Reason:	N/A - not applicable to this filing
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Side by Side Comparisons
Comments:	
Attachment(s):	MARKED 904 7038 APP 08 19 - compare to 904 7038 APP 12 17.pdf MARKED 9047041NP APP 08 19 - compare to 9047041NP APP 12 17.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Explanatory Memorandum
Comments:	
Attachment(s):	Generic Memo ML 2019 Appln Update - Companion and Renewal Applns.pdf
Item Status:	

SERFF Tracking #:	HNVR-132146574	State Tracking #:		Company Tracking #:	CW-PR-19663
State:	District of Columbia	Filing Company:	The Hanover Insurance Company		
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2000 Other Liability Sub-TOI Combinations				
Product Name:	ML Advantage Application				
Project Name/Number:	Specialty/ML/CW-PR-19663				
Status Date:					

Private Company Advantage

Renewal Application-~~Short Form~~

Underwritten by The Hanover Insurance Company

NOTICE: THIS APPLICATION IS FOR A CLAIMS-MADE POLICY. SUBJECT TO ITS TERMS, THIS POLICY WILL APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. ~~PLEASE READ THE POLICY CAREFULLY.~~

Whenever used in this Application, the bolded terms **Named Insured**, **Executives** and **Claim** shall have the meaning set forth in the policy and the term "Applicant" shall mean the **Named Insured** and all subsidiaries or other organizations applying for coverage.

~~I. APPLICATION INSTRUCTIONS~~

- ~~Whenever used in this Application, the term "Applicant" shall mean the **Named Insured** and all subsidiaries or other organizations applying for coverage, unless otherwise stated.~~
- ~~Include all requested underwriting information indicated in Section XIII. below.~~
- ~~Complete the relevant sections of this application and any Supplemental Applications in accordance with the coverages being requested.~~

~~III. NAME AND ADDRESS~~

Name of Applicant: _____

Address of Applicant: _____

City: _____ State: _____ Zip Code: _____ State of

Incorporation: _____ Website(s): _____

~~III. REQUESTED AND CURRENT COVERAGE~~

Indicate below which coverages are being requested. **Complete only those sections of this Application which pertain to requested coverage.**

Requested Coverage Part		Keep Same Limits and Retentions	New Limits	New Retentions
<input type="checkbox"/>	Directors & Officers and Entity Liability	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$
<input type="checkbox"/>	Employment Practices Liability	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$
<input type="checkbox"/>	Fiduciary Liability	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$
<input type="checkbox"/>	Crime Coverage	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$
<input type="checkbox"/>	Cyber Privacy & Security Coverage	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$
<input type="checkbox"/>	Kidnap & Ransom Coverage	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$

If requesting higher liability limits than expiring as indicated in the above table, please answer the following question. Do not complete this question if no change in liability limits is requested.

Is any **Insured** proposed for coverage aware of any fact, circumstance, or situation that might reasonably be expected to result in a **Claim** that would fall within the scope of the proposed **Liability Coverage Parts**?

Yes ☐ — No ☐ —

If "Yes" please attach a full description of the details.

IV. GENERAL INFORMATION

1. Name ~~Individuals~~ primary contact for ~~Insurance Primary Contact for Insurance Notices~~ insurance notices and ~~loss prevention services below:~~

☐ Check ~~here~~ check the box if you consent to ~~have the~~ The Hanover Insurance ~~Group email~~ Company emailing you and your agent regarding periodic loss prevention and renewal information:.

Name Area	Title Name	Email	Email list
Insurance Primary Contact			<input type="checkbox"/>
Human Resources			
Cyber Security			

2. Operations:

a. Year established: _____

b. Applicant's Website(s): _____ II.

REQUESTED COVERAGE

c. Description of Applicant's Operations: _____

d. What is the Applicant's Standard Industrial Classification (SIC) code: _____

e. What is the Applicant's North American Industrial Classification System (NAICS) code: _____

Does the Applicant have any subsidiaries, franchises, or joint ventures for which coverage is requested?

If "Yes", please attach a list of these entities and indicate percentage of ownership and nature of business for each. Complete the chart below regarding requested coverage.

☐ Yes ☐ No

3. Foreign Exposure:

a. Is the Applicant owned by a foreign (Non-U.S.) organization?

☐ Yes ☐ No

	Requested Coverage Part	Requested Limits	New Coverage not currently purchased
<input type="checkbox"/>	Directors & Officers and Entity Liability	\$ _____	<input type="checkbox"/>
<input type="checkbox"/>	Employment Practices Liability ("EPL")	\$ _____	<input type="checkbox"/>
<input type="checkbox"/>	Fiduciary Liability	\$ _____	<input type="checkbox"/>
<input type="checkbox"/>	Crime Coverage	\$ _____	<input type="checkbox"/>
<input type="checkbox"/>	Kidnap & Ransom Coverage ("K&R")	\$ _____	<input type="checkbox"/>

b. Does ~~Has~~ the applicant have ~~Applicant~~ polled all Executives for any of the following:

1) ~~Subsidiaries domiciled outside the U.S.?~~

2) ~~Branch~~ actual or representative offices outside the U.S.?

☐ Yes ☐ No

☐ Yes ☐ No

1. ~~Joint ventures~~ potential litigation or partnerships with third parties outside the U.S.? Claims?

☐ Yes ☐ No ☐ N/A

☐ Yes ☐ No

Sales outside the U.S.? If any actual or potential Claims, have you reported such matters to the Insurer?

4. Location Information

Total Number of Locations: : _____ Total U.S. Locations: _____ Total Non-

U.S. Locations: _____

- If you have 5 or less Total Locations, fill out the first four columns including individual location zip codes.
- If more than 5 Total Locations, aggregate the data by State or Non-U.S. Country, fill out the first three columns and the last column (skipping the individual zip code column). Use a separate sheet if necessary.

☐ Yes ☐ No ☐ N/A

Note that Type of Operations is Manufacturing, Warehouses, Distribution Centers, Retail, or Other.

State /Non-U.S. Country	Type of Operation(s)	Number of Employees	If 5 or fewer Total Locations Zip Code

2. If requesting higher liability limits than expiring or new coverage, please answer the following:

- a. Is any **Executive** aware of any fact, circumstance, or situation that might reasonably be expected to result in a **Claim** that would fall within the scope of the requested **Liability Coverage Parts**?

5. What percentage of the Applicant's employees work at customer locations or perform a majority of their functions off-site? _____%

6. Within the past 3 years, has there been any change (resignations, terminations, departures, retirements, etc.) of any Directors, Officers or other senior management?

If "Yes", please attach the following: Name of individual(s); date of change; and reason.

☐ Yes ☐ No ☐ N/A

- b. Solely for any new coverage that has not been purchased before, has the Applicant had any prior litigation, investigation, criminal or administrative proceedings or Crime or K&R losses that would have resulted in a **Claim** that would fall within the scope of the requested **Non-Liability Coverage Parts** or **Liability Coverage Parts** in the past 5 years?

If Yes to any part of question 2. attach an explanation.

III. GENERAL & FINANCIAL INFORMATION

7.1. Please provide the following information regarding the Description of Applicant's employees Operations, NAIC code(s):

Number of Employees	Current Year	Previous Year
Full Time (not including Independent Contractors):	_____	_____
Part Time (include leased and seasonal):	_____	_____
Independent Contractors:	_____	_____
Located in New York, New York:	_____	_____
Located in California:	_____	_____

Voluntary Terminations:	_____	_____
Involuntary Terminations (not layoffs/downsizing):	_____	_____
Layoffs/Downsizing:	_____	_____

8-2. In the next 12 months (or during the past 18 months) is the Applicant contemplating (or has the Applicant completed or been in the process of completing):

☐ Yes ☐ No

a. ~~Any~~Any newly created locations, entities, merger, acquisition, or divestment?

☐ Yes ☐ No

b. Any bankruptcy, reorganization or arrangement with creditors under federal or state law?

☐ Yes ☐ No

☐ Yes ☐ No

c. Any branch, location, facility, ~~office~~, or subsidiary closings, consolidations, reductions in force or layoffs?

☐ Yes ☐ No

d. ~~Any public or private offering of securities (including Crowd Funding/Crowd Financing)?~~

e. ~~Any change in ownership?~~

If "Yes" to any part of ~~Question 9~~ please ~~question 2~~ attach an explanation.

3. Complete the chart if requesting EPL, Crime or K&R coverage.

9. ~~Are all newly acquired organizations within 12 months of their acquisition and all current foreign locations, using the same computer system security, financial audit controls and procedures, and Human Resource policies as other similar domestic locations?~~

~~If "No", Please attach an explanation.~~

☐ Yes ☐ No ☐
N/A

Number of Locations Current Year	Number of Locations Previous Year	Number of Total Employees Current Year	Number of Employees

4. If requesting EPL coverage, complete the chart regarding the Applicant's number of employees by zip code.

Zip Code	State / Non-U.S. Country	Number of Employee

10. ~~Please complete~~Complete the following financial information chart for the most recent fiscal year ~~(indicate month/year):~~

5. _____ Month _____ Year,

or check box if attaching most recent year-end financial statements instead: ☐

Financial Data	Current Year	Previous Year
Total Revenue:	\$	\$
Total Assets:	\$	\$
Current Assets:	\$	\$

Current Liabilities:	\$	\$
Long Term Debt:	\$	\$
Retained Earnings (Accumulated Deficit):	\$	\$
Total Shareholders' Equity, or Net Assets:	\$	\$
Interest Expense:	\$	\$
Operating Income Before Interest and Taxes:	\$	\$
Net Income -(Net Loss):	\$	\$
Cash Flow From Operating Activities:	\$	\$

~~11.~~ With respect to ~~the any~~ financial auditor:

~~a. What is the scope of financial statement preparation?~~

~~12-6.~~ ☐ Internal ☐ CPA Compilation ☐ CPA Review ☐ CPA Audit ☐ None ~~audit or debt covenants:~~

a. Has ~~the an~~ auditor issued a "going concern" opinion for the Applicant's financial statements ~~during in~~ the past ~~3 years?~~ ~~If "Yes" please attach a full explanation 12 months?~~

☐ Yes ☐ No ☐ N/A

b. ~~Is Has~~ the Applicant ~~in been out of~~ compliance with ~~all any~~ debt ~~and/or loan~~ covenants ~~in the~~ past 12 months?

☐ Yes ☐ No ☐ N/A

~~If "No" please attach a full explanation.~~

☐ Yes ☐ No ☐ N/A

c. Has the Applicant changed auditors in the last ~~three years~~ 12 months?

~~If "Yes" please attach a full explanation.~~

☐ Yes ☐ No ☐ N/A

d. ~~Have the Has an~~ outside ~~auditors auditor~~ stated there are any material weaknesses in the Applicant's system of internal controls? ~~If "Yes" please attach a full explanation.~~

☐ Yes ☐ No ☐ N/A

e. Has the Applicant not implemented all material recommendations of the auditor?

~~If "No" please Yes, to any question a. through e., attach a full an explanation.~~

~~V. PRIOR LOSS AND LITIGATION INFORMATION~~

~~Note: When listing any events below, separately note each event including dates, description, amounts of loss, and corrective measures. Please attach additional pages if needed.~~

~~Liability Coverage Parts~~

~~List all matters during the past five years, where the Applicant or any organization or person proposed for coverage has been the subject of, or been involved in, any subpoena, representative actions, class actions, derivative suits, civil, regulatory investigation, criminal or administrative proceeding involving: (1) Anti-Trust, (2) Anti-Corruption, (3) Fair Trade, (4) Copyright or Patent violations, (5) Securities Laws, (6) Consumer Protection Laws, (7) Information Privacy Laws, (8) ERISA, (9) Employment Laws or (10) discrimination, harassment, or civil rights. Check if none ☐: _____~~

~~Non-Liability Coverage Parts~~

~~1. List all employee theft, forgery, computer fraud or other crime losses discovered by the Applicant in the last five years. Check if none ☐: _____~~

~~2. List all kidnapping, extortion threats, cyber extortion, hijacking, wrongful detention, or political threats discovered by the Applicant in the last five years. Check if none ☐: _____~~

~~3. List all Computer Business Interruptions of more than 8 hours, data theft, data breach or loss of employee, customer or member information by the Applicant in the last five years. Check if none ☐: _____~~

~~VI-IV. DIRECTORS & OFFICERS AND ENTITY LIABILITY INFORMATION~~

~~Please complete the following chart for all Shareholders owning more than 10%, add additional pages as needed.~~

Director or Officer Shareholders	Percentage of Voting Shares Owned > 10% Only	Related by family to another Director or Officer
_____	_____	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>

_____	_____	<input type="checkbox"/>
Non-Director and Non-Officer Individual and Corporate Shareholders	Percentage of Voting Shares Owned > 10% Only	Related by family to another Shareholder, Director or Officer
_____	_____	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>

If any family relationships noted in the last column in the table above please describe: _____

1. Total Number of Shareholders: _____
2. Have any Executives of the Applicant disclosed to the Board of Directors of any conflicts of interest in regards to any specific contracts or dealings with family members, competitors, customers or vendors? If Yes, please describe: _____ ☐ Yes ☐ No
3. Please check all the following corporate governance controls and procedures the Applicant has in place:
☐ Anti-trust training ☐ Family Employment Policy ☐ Anti-Bribery FCPA Training
☐ Conflict of Interest Policy ☐ Ethics Hotline ☐ Board Level Audit Committee
4. Is any shareholder a trust that qualifies as an Employee Stock Ownership Plan under ERISA? If Yes, please attach the most recent stock valuation report. ☐ Yes ☐ No
5. Do you have a code of conduct or use signed contracts such as offer letters that require that employees and independent contractors not disseminate or use previous employers' or clients' trade secrets, customer lists or other intellectual property?

VII. EMPLOYMENT PRACTICES LIABILITY INFORMATION

1. What percentage of the Applicant's Employees currently earn: (a) Less than \$60,000 annually? _____%
(b) More than \$120,000 annually? _____%

2. Any changes in the last 24 months to the Applicant's written procedures regarding:

Policies and Procedures	New/Updated	No Changes	Do Not Have
Employment Practices Handbook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Human Resources Policies and Procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Has the Applicant conducted any training for new employees, current managers or current employees regarding the following issues in the last 24 months? (Checking the Box indicates "Yes", Blank means "No")

Policies and Procedures	New Employees	Current Managers	Current Employees
Anti-Discrimination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anti-Harassment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ADA accommodations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social Media and Computer/Network Usage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. If over 100 employees, in the last 24 months, has the Applicant reviewed an audit with outside counsel regarding employee classification and wage and hour documentation of exempt vs. nonexempt vs. Independent Contractors? ☐ Yes ☐ No ☐ N/A
5. In the past 24 months has the Applicant experienced, or in the next 12 months is the Applicant planning, layoffs or a reduction in workforce? ☐ Yes ☐ No
 If "Yes" and if such layoff or reduction in workforce is more than 5% of the workforce or more than 50 employees, please respond to the following:
 - a. Provide a description of the Applicant's procedures for conducting a staff reduction and management level/positions involved in this process. ☐ Yes ☐ No
 - b. Does the Applicant analyze whether protected classes will be adversely impacted as a result of a staff reduction? ☐ Yes ☐ No
 - c. Is the analysis reviewed by outside counsel? ☐ Yes ☐ No
 - d. Does the Applicant utilize consistent criteria to determine which employees will be

- impacted? ☐ Yes ☐ No
- e. Does the applicant have a written severance and waiver agreement in place? ☐ Yes ☐ No
6. In the past 24 months has the Applicant been involved in or received notice of:
- a. Litigation regarding wrongful termination, harassment or discrimination? ☐ Yes ☐ No
- b. An investigation from the Equal Employment Opportunity Commission? ☐ Yes ☐ No

VIII. FIDUCIARY LIABILITY INFORMATION

1. Within the past 12 months, has there been any change (resignations, terminations, departures, retirements, etc.) involving any Directors, Officers or other senior management? ☐ Yes ☐ No
If Yes, attach name of individual(s); date of change; and reason.
2. Please list the names and types of Applicant's employee benefits plan(s). Attach additional pages if needed. In the next 12 months (or during the past 18 months) is the Applicant contemplating (or has the Applicant completed or been in the process of completing):
- a. Any public or private offering of securities (including crowd funding/crowd financing)? ☐ Yes ☐ No
- b. Any change in ownership greater than 10%? ☐ Yes ☐ No
- If Yes to any part of question 2, attach an explanation.

V. EMPLOYMENT PRACTICES LIABILITY INFORMATION

1. Complete the chart regarding the Applicant's employees:

<u>Number of Employees</u>	<u>Current Year</u>	<u>Previous Year</u>
Full Time (not including independent contractors):	_____	_____
Part Time (include leased, temporary and seasonal):	_____	_____
Independent Contractors:	_____	_____
Located in California:	_____	_____
Voluntary Terminations:	_____	_____
Involuntary Terminations (not layoffs/downsizing):	_____	_____
Layoffs/Downsizing:	_____	_____

2. In the past 12 months, has the Applicant updated its employee handbook or human resources policies and procedures? If Yes, attach a description of changes. ☐ Yes ☐ No ☐ N/A
3. Prior to employee terminations does the Applicant consult with human resources or outside counsel per a written HR policy? ☐ Yes ☐ No
4. Does the Applicant use written Performance Improvement Plans prior to a termination? ☐ Yes ☐ No
5. In the past 12 months, has the Applicant reviewed employee classification and documentation of exempt, nonexempt, and independent contractors? ☐ Yes ☐ No
If yes, and more than 25 employees were involved, was the review done with outside counsel? ☐ Yes ☐ No ☐ N/A
6. Does the Applicant conduct documented anti-discrimination and anti-harassment training for employees (whether or not required by law)? ☐ Yes ☐ No

VI. FIDUCIARY LIABILITY INFORMATION

1. Complete the chart regarding the Applicant's benefit plans. Attach additional pages if needed.

<u>Plan Names</u>	<u>Plan Assets</u>	<u>Type of</u>	<u>Funding %</u>	<u>Number of</u>	<u>Plan</u>
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(Other than health & welfare plans)	(Current year)	Plan*	(DB only) Under Funded 75% or less <u>Only</u> **	Plan Participants	Status****
	\$		<input type="checkbox"/> Yes <input type="checkbox"/> No _____ %		
_____	\$	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No _____ %	_____	_____
_____	\$	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No _____ %	_____	_____

* Defined Contribution (DC), Defined Benefit (DB), Employee Stock Ownership (ESOP), Excess Benefit or Top Hat (EBP)

**** Funding % is the funding percentage of current value of plan assets to the funding target (or accumulated benefit obligation)

*** Active (A), Frozen (F), Sold (S), Terminated (T) - Include date of termination

1. In the past 24 months have plans and guidelines been reviewed and updated for compliance with plan agreements, ERISA, written investment guidelines, and Health Insurance Portability and Accountability Act (HIPAA)? If "No," please describe: _____ ☐ Yes ☐ No
2. In the past 24 months or the next 12 months has/will any plan:
 - a. Been amended in a way that will result in the reduction of benefits? ☐ Yes ☐ No
 - b. Contemplated or concluded any restructuring, spin-off, transfer, consolidation, merger, termination or other similar transaction? If "Yes," please describe: _____ ☐ Yes ☐ No
2. Are all plans in compliance with plan agreements and ERISA? If No, attach an explanation. ☐ Yes ☐ No
3. In the past 24 months or the next 12 months has/will any plan:
 - a. Be amended in a way that will result in the reduction of benefits? ☐ Yes ☐ No
 - b. Contemplate or conclude any restructuring, spin-off, transfer, consolidation, merger, termination or other similar transaction? ☐ Yes ☐ No
- 3.4. During the past 12 months, has there been or is there currently any investigation or audit by the IRS, DOL, PBGC or any other state or federal agency of an employee benefit plan: or any current or former fiduciary of such employee benefit plan?
 - a. Invested in securities of the Applicant?
 - b. Invested in more than 10% of any entity other than the Applicant or a pooled investment vehicle such as a mutual fund?
 - c. Loaned or pledged any employees benefit plan assets to any party in interest (including the Applicant)?
 If "Yes," to any of the above in Question question 3. or 4, please attach a full description with details an explanation.

IX. CYBER PRIVACY AND SECURITY VII. CRIME COVERAGE

General Information

1. Please list the estimated number of records that contain each of the following sensitive data types from past, present or future individuals or firms such as customers, vendors or employees.

Sensitive Data	Sensitive Data Description	Number Scope	Number
Payment Card Industry (PCI)	Credit/Debit Card data addressed by Payment Card Industry Security Standards	12 Months Card Transactions	_____
Health Care Information (HCI)	Healthcare data subject to HIPAA Privacy and Security Rules from employees or patients	Unique People currently stored	_____

Other Personally Identifiable Information (PII)	Other Data not counted above protected by Federal or State Identity theft laws such as Social Security, Driver's License, Student ID, Financial Account, Tax ID or Retirement Account Numbers	Unique People and Firms currently stored	_____
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a. If any of the above data is stored, where does the Applicant store any such data?

☐ Third Party Cloud Server ☐ Own Web Server ☐ Server not directly connected to the internet

b. Does the Applicant store any PCI data? _____ ☐ Yes ☐ No

2. Does the Applicant encrypt private or sensitive data (if Yes, select all that apply): _____ ☐ Yes ☐ No

☐ Data at Rest ☐ Data in transit ☐ Data on mobile devices (i.e. laptops, mobile devices, or USB drives)

Number of on-line customers: _____ Gross Revenue from on-line sales or services: _____

1. Does the Applicant prohibit employees who reconcile the monthly bank statements from also:
Signing Checks ☐ Yes ☐ No, Handling deposits ☐ Yes ☐ No, Making Withdrawals ☐ Yes ☐ No

Controls and Procedures

3. Does the Applicant have the following written plans and/or services? (check all that apply)

☐ Information Security Policies ☐ Cyber Risk Assessment
☐ Cyber Incident Response Plan ☐ Computer Business Continuity or Disaster Recovery Plan

a. Have you updated / tested any of these plans in the last 12 months? _____ ☐ Yes ☐ No

b. Do your Cyber Incident and your Disaster Recovery plans have pre-assigned people and vendors with current contact information assigned to critical tasks? _____ ☐ Yes ☐ No

IMPORTANT: Hanover offers its policyholders the opportunity to contract with a Cyber Risk Management Service provider for such Plans, Pre-Assignment and Testing. See your agent for details.

4. Which of the following does the Applicant currently have in place (check all that apply):

☐ Active/Updated Firewall and Anti-Virus ☐ Smart passwords & required changes
☐ Active/Updated Email Anti-Malware ☐ Sensitive Data Segmentation and Procedures
☐ Physical POS terminal monitoring ☐ Account Monitoring and Control
☐ Intrusion detection software ☐ Continuous vulnerability assessment & remediation
☐ Key card access ☐ Change of Default Passwords / Settings
☐ Remote access VPN

5. Does the Applicant have training and enforce written policies regarding the following?

a. Proper usage of the Internet, social networking, email, and sensitive paper documents
b. How to identify and report Virus's, Phishing Scams and Ransomware Attacks

2. Background checks Does the Applicant follow a written policy or procedure to: _____ ☐ Yes ☐ No

a. Utilize a Master List to assist in detecting payments to unauthorized or fictitious vendors/suppliers? _____ ☐ Yes ☐ No

b. Verify and reconcile all invoices to corresponding purchase orders and a Master List prior to issuing payment? _____ ☐ Yes ☐ No

c. Authenticate all requests to change vendor/supplier bank account information received via email, phone and text with a call back to the pre-determined vendor/supplier contact and phone number prior to wire transferring any funds? _____ ☐ Yes ☐ No

d. Reconcile all funds transfers on prospectivethe same day and by a person who did not initiate the request? _____ ☐ Yes ☐ No

3. Does the Applicant have written policies and procedures requiring employees who will that process wire transfers to never process an internal request, (inclusive of requests by owners) without first validating the request with a call back to the requestor at a pre-determined work phone number or by face to face confirmation? _____ ☐ Yes ☐ No

1.4. Are employees of the Applicant, particularly those that are responsible for wire transfers or that have access to sensitive data company assets, provided with anti-fraud training to include how to detect phishing, spear phishing and other fraudulent social engineering schemes? _____ ☐ Yes ☐ No

c. Termination of network access upon termination of a third party or employee _____ ☐ Yes ☐ No

- d. ~~Allow employees to use their own devices on your network~~ ☐ Yes ☐ No
- e. ~~Blocked ability to store data on portable devices such as USB drives or print to unknown printers~~ ☐ Yes ☐ No
- f. ~~Prohibition of using any computer hardware or software that is no longer supported with security updates from the manufacturer~~
- g. ~~Requirements to review the cyber security audits of third party service providers~~
~~Requirements that the Applicant be indemnified and "held harmless" for the errors or omissions of any computer service provider~~
5. Are physical inventory counts conducted at least annually and reconciled with perpetual inventory systems?

6. ~~Do you have a backup system for software and data? If so, check all that apply:~~ ☐ Yes ☐ No
~~☐ Separated from the network ☐ Backed up weekly ☐ Tested annually ☐ Operational within 24 hours~~

Please note any explanations to any "No" answers for Questions 4 through 7 here: _____

7. ~~Has the Applicant created any new website or mobile applications for its customers in the last 12 months?~~ ☐ Yes ☐ No
~~If Yes, did the Applicant do this in-house?~~ ☐ Yes ☐ No
~~If Yes, was the application scanned for vulnerabilities, using the latest software?~~ ☐ Yes ☐ No

Outside Compliance and Cyber Audits

9. ~~If the Applicant has had any Payment Card Industry Data Security Standard (PCI DSS) reviews:~~
- a. ~~Has the Applicant been in full compliance with the Payment Card Industry Data Security Standard (PCI DSS) for the past 3 years? If, no please explain.~~ ☐ Yes ☐ No ☐ N/A
- b. ~~Has the Applicant had any critical recommendations in the past 3 years that required remediation in order to remain compliant with PCI DDS requirements? If, Yes please explain.~~ ☐ Yes ☐ No ☐ N/A

Past Activity

10. ~~Is the Applicant aware of any attempted unauthorized access or cyber attacks in the past 24 months? If unauthorized access was obtained, please provide details.~~ ☐ Yes ☐ No

X. CRIME VIII. KIDNAP & RANSOM COVERAGE

1. Complete the chart regarding the Applicant's foreign travel. Attach additional pages if needed.

Basic Crime Controls

1. ~~If the Applicant does not have an external audit, or an internal audit department, does the Applicant have someone with internal audit responsibilities?~~ ☐ Yes ☐ No ☐ N/A
2. ~~Does the Applicant have controls within its human resources and/or payroll operations that prevent the input of fictitious employees and salaries into its payroll systems?~~ ☐ Yes ☐ No
3. ~~Are passwords and access codes changed regularly and when users are terminated?~~ ☐ Yes ☐ No

Checking and Bank Account Controls

4. ~~With regards to checking, has a report of payments made by check or wire transfer been generated and reviewed monthly for unusual payments for the past 24 months by separate people who did not process the transactions?~~ ☐ Yes ☐ No

Vendors

5. ~~Do you verify and reconcile all invoices to purchase orders and master vendor/customer lists before making any payments?~~ ☐ Yes ☐ No
6. ~~Do you have procedures in place to verify the authenticity and ownership of new vendors before adding them to the Master Vendor List?~~ ☐ Yes ☐ No
~~If so, is the employee who verifies the new vendor restricted from editing the list?~~ ☐ Yes ☐ No
7. ~~Is a Master Vendor List utilized to assist in detecting payments to unauthorized or fictitious vendors or suppliers during an internal audit or reconciliation process?~~ ☐ Yes ☐ No

Funds Transfers

8. ~~Regarding funds transfer requests:~~

- a. ~~Does your staff do more than one funds transfer request a month?~~ ☐ Yes ☐ No
- b. ~~Are funds transfer verifications reconciled the same day by a person who did not initiate the request?~~ ☐ Yes ☐ No
- c. ~~Are employees that are responsible for funds transfers provided anti-fraud training, including detection of false pretenses, social engineering, phishing or other confidence scams?~~ ☐ Yes ☐ No
- ~~If so, does this training include not replying to the initiating request email or phone number but using the master list contact information to reply to the request?~~ ☐ Yes ☐ No

Inventory

9. ~~Is a physical count of inventory conducted at least annually? If "Yes" how often in the last 12 months? _____~~ ☐ Yes ☐ No
10. ~~Is a perpetual inventory maintained for retail/warehouse inventory or manufacture stock/scrap/finished goods?~~ ☐ Yes ☐ No

XI. KIDNAP & RANSOM COVERAGE

1. ~~Complete the following information regarding the foreign travel of the Applicant:~~
~~Please attach additional pages if needed.~~

City and Country Visited	Number of annual trips	Average length of stay	Number of employees traveling	Number of independent contractors traveling

2. Describe the Applicant's security precautions while traveling, both domestic and international, including use of security consultants: _____

XII-IX. MATERIAL CHANGE

If any of the Applicants discover or become aware of any significant change in the condition of the Applicant between the date of this **Application** and the policy inception date, which would render the **Application** inaccurate or incomplete including but not limited to a new Claim or other matter to be reported, notice of such change will be reported in writing to us immediately and any outstanding quotation may be modified or withdrawn.

XIII-X. DECLARATIONS, NOTICE AND SIGNATURES

The submission of this Renewal Application does not obligate the **Insurer** to issue, or the Applicant to purchase, a policy. The Applicant will be advised if the **Application** for coverage is accepted. The Applicant hereby authorizes the **Insurer** to make any inquiry in connection with this **Application**.

The undersigned, acting on behalf of all Applicants, declare that to the best of their knowledge and belief, after reasonable inquiry, the statements set forth in this **Application** and in any attachments or other documents submitted with the **Application** are true and complete and were made to obtain requested information from each and every Applicant proposed for this insurance to facilitate the proper and accurate completion of this **Application**.

The undersigned agree that the information provided in this **Application** and any material submitted herewith are the representations of all the Applicants and the basis for issuance of the insurance policy should a policy providing the requested coverage be issued, and that the **Insurer** will have relied on all such materials in issuing any such policy. The undersigned further agree that the **Application** and any material submitted herewith shall be considered attached to and a part of the policy. Any material submitted with the **Application** shall be maintained on file (either electronically or paper) with us.

The information requested in this Renewal Application is for underwriting purposes only and does not constitute notice to the **Insurer** under any policy, of a **Claim** or potential **Claim**.

NOTICE TO ALABAMA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution, fines or confinement in prison, or any combination thereof.

NOTICE TO ARIZONA AND MISSOURI APPLICANTS: Claim Expenses are Inside the Policy Limits. All claim expenses shall first be subtracted from the limit of liability, with the remainder, if any, being the amount available to pay for damages.

NOTICE TO ARKANSAS, LOUISIANA AND WEST VIRGINIA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO CALIFORNIA APPLICANTS: For your protection, California law requires the following to appear on this form: Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

NOTICE TO HAWAII APPLICANTS: For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

NOTICE TO IDAHO AND OKLAHOMA APPLICANTS: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO KANSAS APPLICANTS: Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. A fraudulent insurance act means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

NOTICE TO MAINE, TENNESSEE, VIRGINIA, AND WASHINGTON APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

NOTICE TO MARYLAND APPLICANTS: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO MICHIGAN APPLICANTS: Any person who knowingly and with intent to defraud an insurance company or another person, files an application for insurance containing any materially false information, or conceals for the purpose

of misleading, information concerning any fact material thereto, commits a fraudulent act, which is a crime and subjects the person to criminal and civil penalties.

NOTICE TO NEW JERSEY APPLICANTS: Any person who knowingly includes any false or misleading information or an application for an insurance policy or files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

NOTICE TO NEW HAMPSHIRE APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages.

NOTICE TO NEW MEXICO AND RHODE ISLAND APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO OREGON APPLICANTS: Any person who knowingly and with intent to defraud or solicit another to defraud any insurance company: (1) by submitting an application, or (2) by filing a claim containing a false statement as to any material fact, may be violating state law.

NOTICE TO PENNSYLVANIA APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO VERMONT APPLICANTS: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

Note: This **Application** must be signed by the chief executive officer or chief financial officer or equivalent position of the Applicant acting as the authorized representatives of the person(s) and entity(ies) proposed for this insurance.

Date Signature Title

Signature Title Date

Supporting Documentation: ~~please attach~~ **Attach** a copy of the following for every Applicant seeking coverage:

- ☐ Most recent CPA prepared financial statements (for Applicants with more than \$250 million in annual revenue)
- ☐ Most recent CPA Letter to Management and Management's response. If this Letter is not issued, check here: ☐
- ☐ Directors & Officers and Entity Liability: ~~include any~~ Any applicable securities offering ~~memorandum~~ memorandum
- ☐ ~~Fiduciary Liability: if Applicant has an ESOP, include most recent stock valuation report~~
- ☐ Employment Practices Liability: Most recent EEO-1 report (for Applicants with ~~500 or more~~ than 500 employees):
 - ~~Employee handbook~~ ☐ ~~Employment application form~~
 - ~~Most recent EEO-1~~ ☐ ~~Third party policies and statements, if requesting such coverage~~

Separate applications may be required:

- ~~Third Party Crime Application, if coverage for Employee Theft of Client Property is requested~~
- ~~Employer Securities Supplemental Application, if~~ For any employee stock ownership plan is an (ESOP): (1) ESOP or if valuation report and (2) any other defined contribution plan invests in employer securities regulatory audit letter
- ~~Construction Supplemental Application, if Applicant is a contractor~~
- ~~Downsizing Supplemental Application, if impact of Applicant layoffs is greater than 50 employees~~

Nonprofit Entity Advantage

Renewal Application-Short Form

Underwritten by The Hanover Insurance Company

NOTICE: THIS APPLICATION IS FOR A CLAIMS-MADE POLICY. SUBJECT TO ITS TERMS, THIS POLICY WILL APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD.

I. APPLICATION INSTRUCTIONS

- ~~Whenever used in this Application, the term "Applicant" shall mean the **Named Insured** and all subsidiaries or other organizations applying for coverage, unless otherwise stated.~~
- ~~Include all requested underwriting information indicated in Section XIII. below.~~
 - Complete the relevant sections of this application and any Supplemental Applications in accordance with the coverages being requested.

Whenever used in this Application, the bolded terms **Named Insured**, **Executives** and **Claim** shall have the meaning set forth in the policy and the term "Applicant" shall mean the **Named Insured** and all subsidiaries or other organizations applying for coverage.

II. NAME AND ADDRESS

Name of Applicant: _____

Address of Applicant: _____

City: _____ State: _____ Zip Code: _____ State of Incorporation: _____

Name primary insurance contact for insurance notices and check the box if you consent to The Hanover Insurance Company emailing you and your agent regarding periodic loss prevention and renewal information:

Name	Title	Email	Email list
			<input type="checkbox"/>

III. REQUESTED AND CURRENT COVERAGE

Complete the chart below regarding requested coverage. Indicate below which coverages are being requested. **Complete only those sections of this Application which pertain to requested coverage.**

Requested Coverage Part		Keep Same Limits and Retentions	New Limits	New Retentions
<input type="checkbox"/>	Directors & Officers and Entity Liability	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$
<input type="checkbox"/>	Employment Practices Liability	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$
<input type="checkbox"/>	Fiduciary Liability	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$
<input type="checkbox"/>	Crime Coverage	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$
<input type="checkbox"/>	Cyber Privacy & Security Coverage	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$
<input type="checkbox"/>	Kidnap & Ransom Coverage	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$

<u>Requested Coverage Part</u>	<u>Requested Limits</u>	<u>New Coverage not currently purchased</u>
<u>Directors & Officers and Entity Liability</u>	<u>\$ _____</u>	<input type="checkbox"/>
<u>Employment Practices Liability</u>	<u>\$ _____</u>	<input type="checkbox"/>
<u>Fiduciary Liability</u>	<u>\$ _____</u>	<input type="checkbox"/>
<u>Crime Coverage</u>	<u>\$ _____</u>	<input type="checkbox"/>
<u>Kidnap & Ransom Coverage</u>	<u>\$ _____</u>	<input type="checkbox"/>

1. ~~If requesting higher liability limits than expiring as indicated in the above table, please answer the following question. Do not complete this question if no change in liability limits is requested.~~

~~Is any **Insured** proposed for coverage aware of any fact, circumstance, or situation that might reasonably be expected to result in a **Claim** that would fall within the scope of the proposed **Liability Coverage Parts**?~~

~~Yes ☐ No ☐~~

~~If "Yes" please attach a full description of the details.~~

2. Does the Applicant currently carry General Liability Insurance? ☐ Yes ☐ No

1. Has the Applicant polled all **Executives** for any actual or potential litigation or **Claims**? ☐ Yes ☐ No
If any actual or potential **Claims**, have you reported such matters to the Insurer? ☐ Yes ☐ No ☐ N/A

2. If requesting higher liability limits than expiring or new coverage, please answer the following:
Is any **Executive** aware of any fact, circumstance, or situation that might reasonably be expected to result in a **Claim** that would fall within the scope of the requested **Liability Coverage Parts**? ☐ Yes ☐ No ☐ N/A

Solely for any new coverage that has not been purchased before, has the Applicant had any prior litigation, investigation, criminal or administrative proceedings or Crime or K&R losses that would have resulted in a **Claim** that would fall within the scope of the requested **Non-Liability Coverage Parts** or **Liability Coverage Parts** in the past 5 years? ☐ Yes ☐ No ☐ N/A

If Yes to any part of question 2. attach an explanation.

IV. GENERAL & FINANCIAL INFORMATION

1. ~~Name Individuals for Insurance Primary Contact for Insurance Notices and loss prevention services below:~~

☐ Check here if you consent to have the Hanover Insurance Group email you and your agent regarding periodic loss prevention and renewal information.

<u>Area</u>	<u>Name</u>	<u>Title</u>	<u>Email</u>
<u>Insurance Primary Contact</u>			
<u>Human Resources</u>			
<u>Cyber Security</u>			

1. Operations:
a. ~~Year established~~ Description of Applicant's Operations: NAIC code(s): _____
b. Applicant's Website(s): _____

- c. Description of Applicant's Operations: _____
d. Applicant's Employee Identification Number(s) (EIN): _____
e. What is the Applicant's North American Industrial Classification System code(s) (NAICS): _____
f. What is the Applicant's National Taxonomy of Exempt Entities code(s) (NTEE): _____

2. In the next 12 months (or during the past 18 months) is the Applicant contemplating (or has the Applicant completed or been in the process of completing):

a. Any newly created locations, entities, merger, acquisition, or divestment?

☐ Yes ☐ No

b. Any bankruptcy, reorganization or arrangement with creditors under federal or state law?

☐ Yes ☐ No

c. Any branch, location, facility or subsidiary closings, consolidations, reductions in force or layoffs?

☐ Yes ☐ No

2. If Yes to any part of question 2, attach an explanation. Does the Applicant currently have tax-exempt status under the U.S. Internal Revenue Service Code? If "Yes" under which IRSC Section? _____ If "No" please attach a full explanation.

3. Complete the chart if requesting EPL, Crime or K&R coverage. In the past 12 months has the Applicant commenced offering any new or additional services?
If "Yes", please attach a full description of the details

☐ Yes ☐ No

Number of Locations Current Year	Number of Locations Previous Year	Number of Employees Current Year	Number of Employees Previous Year

4. If requesting EPL coverage, complete the chart regarding the Applicant's number of employees by zip code. Is the Applicant managed or administered by any third party under contract or agreement?

☐ Yes ☐ No

If "Yes" please attach a full description of details.

Zip Code	State / Non-U.S. Country	Number of Employees

5. Complete the financial chart for the most recent fiscal year: _____ Month _____ Year. Does the Applicant have any subsidiaries, franchises, or joint ventures for which coverage is requested?
If "Yes", please attach a list of these entities and indicate percentage of ownership and nature of business for each.

☐ Yes ☐ No

or check box if attaching most recent year-end financial statements instead: ☐

Financial Data	Current Year	Previous Year
Total Assets:	\$ _____	\$ _____
Net Assets (Fund Balance):	\$ _____	\$ _____
Net Income (Net Loss):	\$ _____	\$ _____

6. With respect to any financial audit or debt covenants: Foreign Exposure:

a. Is the Applicant owned by a foreign (Non-U.S.) organization?

☐ Yes ☐ No

a. Has an auditor issued a "going concern" opinion for the Applicant's financial statements in the past 12 months?

☐ Yes ☐ No

b. Has the Applicant been out of compliance with any debt covenants in the past 12 months?

☐ Yes ☐ No

N/A

c. Has the Applicant changed auditors in the last 12 months?

☐ Yes ☐ No ☐

If Yes, to any question a. through c. attach an explanation

N/A
☐ Yes ☐ No

b. ~~Does the applicant have any of the following:~~

- ~~1) Subsidiaries domiciled outside the U.S.?~~
- ~~2) Branch or representative offices outside the U.S.?~~
- ~~3) Joint ventures or partnerships with third parties outside the U.S.?~~
- ~~4) Revenue or donations originating outside the U.S.?~~

7. Location Information

Total Number of Locations: _____ **Total U.S. Locations:** _____ **Total Non-U.S. Locations:** _____

- If you have 5 or less Total Locations, fill out the first four columns including individual location zip codes.
- If more than 5 Total Locations, aggregate the data by State or Non-U.S. Country, fill out the first three columns and the last column (skipping the individual zip code column). Use a separate sheet if necessary.

Note that Type of Operations is Manufacturing, Warehouses, Distribution Centers, Retail, or Other.

State /Non-U.S. Country	Type of Operation(s)	Number of Employees	If 5 or fewer Total Locations Zip Code	Only if more than 5 Total Locations Sum of Locations

8. ~~What percentage of the Applicant's employees work at customer locations or perform a majority of their functions off-site?~~

_____%

9. Please provide the following information regarding the Applicant's employees:

Number of Employees	Current Year	Previous Year
Full Time (not including Independent Contractors):	_____	_____
Part Time (include leased and seasonal):	_____	_____
Independent Contractors:	_____	_____
Located in New York, New York	_____	_____
Located in California:	_____	_____
Located outside the U.S.:	_____	_____
Voluntary Terminations:	_____	_____
Involuntary Terminations (not layoffs/downsizing):	_____	_____
Layoffs/Downsizing:	_____	_____

10. Within the past 3 years, has there been any change (resignations, terminations, departures, retirements, etc.) of any Directors, Officers or other senior management?

☐ Yes ☐ No

If "Yes", please attach the following: Name of individual(s); date of change; and reason.

11. In the next 12 months (or during the past 18 months) is the Applicant contemplating (or has the Applicant completed or been in the process of completing):

a.d. Any merger, acquisition, or divestment?

☐ Yes ☐ No

b.e. Any bankruptcy, reorganization or arrangement with creditors under federal or state law?

☐ Yes ☐ No

c.f. Any branch, location, facility, office, or subsidiary closings, consolidations or layoffs?

☐ Yes ☐ No

If "Yes" to any part of Question 12, please attach an explanation.

12. ~~Are all newly acquired organizations within 12 months of their acquisition and all current~~

foreign locations, using the same computer system security, financial audit controls and procedures, and Human Resource policies as other similar domestic locations?
If "No", Please attach an explanation.

☐ Yes ☐ No ☐ N/A

13. Please complete the following financial information for the most recent fiscal year (indicate month/year):
_____ Month _____ Year, or check box if attaching most recent year-end financial statements instead: ☐

Financial Data	Current Year	Previous Year
Total Assets:	\$ _____	\$ _____
Net Assets (Fund Balance):	\$ _____	\$ _____
Total Revenue:	\$ _____	\$ _____

14. With respect to the financial auditor:

a. What is the scope of financial statement preparation?

☐ Internal ☐ CPA Compilation ☐ CPA Review ☐ CPA Audit ☐ None

b. Has the auditor issued a "going concern" opinion for the Applicant's financial statements during the past 3 years? If "Yes" please attach a full explanation

☐ Yes ☐ No ☐ N/A

c. Is the Applicant in compliance with all debt and/or loan covenants?

☐ Yes ☐ No* ☐ N/A

If "No" please attach a full explanation.

d. Has the Applicant changed auditors in the last three years?

☐ Yes ☐ No ☐ N/A

If "Yes" please attach a full explanation.

e. Have the outside auditors stated there are any material weaknesses in the Applicant's system of internal controls? If "Yes" please attach a full explanation.

☐ Yes ☐ No ☐ N/A

f. Has the Applicant implemented all material recommendations of the auditor? If "No" please attach a full explanation.

☐ Yes ☐ No ☐ N/A

V. PRIOR LOSS AND LITIGATION INFORMATION

Note: When listing any events below, separately note each event including dates, description, amounts of loss, and corrective measures. Please attach additional pages if needed.

Liability Coverage Parts

List all matters during the past five years, where the Applicant or any organization or person proposed for coverage has been the subject of, or been involved in, any subpoena, representative actions, class actions, derivative suits, civil, regulatory investigation, criminal or administrative proceeding involving: (1) Anti-Trust, (2) Anti-Corruption, (3) Fair Trade, (4) Copyright or Patent violations, (5) Securities Laws, (6) Consumer Protection Laws, (7) Information Privacy Laws, (8) ERISA, (9) Employment Laws or (10) discrimination, harassment, or civil rights. Check if none ☐: _____

Non-Liability Coverage Parts

- List all employee theft, forgery, computer fraud or other crime losses discovered by the Applicant in the last five years. Check if none ☐. _____
- List all kidnapping, extortion threats, cyber extortion, hijacking, wrongful detention, or political threats discovered by the Applicant in the last five years. Check if none ☐. _____
- List all Computer Business Interruptions of more than 8 hours, data theft, data breach or loss of employee, customer or member information by the Applicant in the last five years. Check if none ☐. _____

VI. DIRECTORS & OFFICERS AND ENTITY LIABILITY INFORMATION

1. Within the past 12 months, has there been any change (resignations, terminations, departures, retirements, etc.) involving any Directors, Officers or other senior management? Do any Executives of the Company have any disclosed financial conflicts of interest with the Company in regards to any family members, competitors, customers or vendors?

☐ Yes ☐ No

If Yes, attach name of individual(s); date of change; and reason please describe: _____

2. Does the Applicant own or control any for-profit subsidiaries? If yes, provide name, nature of operations and the attach latest financials. ☐ Yes ☐ No
3. Please check all the following corporate governance controls and procedures the Applicant has in place:
- | | | |
|--|---|---|
| <input type="checkbox"/> Anti-trust training | <input type="checkbox"/> Family Employment Policy | <input type="checkbox"/> Anti-Bribery FCPA Training |
| <input type="checkbox"/> Conflict of Interest Policy | <input type="checkbox"/> Ethics Hotline | <input type="checkbox"/> Succession Planning of Executive Positions |
| <input type="checkbox"/> Audit Committee | <input type="checkbox"/> Investment Committee | <input type="checkbox"/> Executive Compensation Committee |

VII. EMPLOYMENT PRACTICES LIABILITY INFORMATION

1. Complete the chart regarding the Applicant's employees: What percentage of the Applicant's Employees currently earn: (a) Less than \$60,000 annually? _____% (b) More than \$120,000 annually? _____%

Number of Employees	Current Year	Previous Year
Full Time (not including independent contractors):	_____	_____
Part Time (include leased, temporary and seasonal):	_____	_____
Independent Contractors:	_____	_____
Volunteers:	_____	_____
Located in California:	_____	_____
Voluntary Terminations:	_____	_____
Involuntary Terminations (not layoffs/downsizing):	_____	_____
Layoffs/Downsizing:	_____	_____

2. Any changes in the last 24 months to the Applicant's written procedures regarding:

Policies and Procedures	New/Updated	No Changes	Do Not Have
Employment Practices Handbook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Human Resources Policies and Procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Has the Applicant conducted any training for new employees, current managers or current employees regarding the following issues in the last 24 months? (Checking the Box indicates "Yes", Blank means "No")

Policies and Procedures	New Employees	Current Managers	Current Employees
Anti-Discrimination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anti-Harassment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ADA accommodations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social Media and Computer/Network Usage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. In the past 12 months, has the Applicant updated its employee handbook or human resources policies and procedures? If Yes, attach a description of changes. If over 400 employees, in the last 24 months has the Applicant reviewed an audit with outside counsel regarding employee classification and wage and hour documentation of exempt vs. nonexempt vs. Independent Contractors? ☐ Yes ☐ No ☐ N/A
3. Prior to employee terminations does the Applicant consult with human resources or outside counsel per a written HR policy? If over 1,000 employees, do you review pay practices for inequities among protected classes in the workforce? ☐ Yes ☐ No ☐ N/A
4. In the past 24 months has the Applicant experienced, or in the next 12 months is the Does the Applicant use written Performance Improvement Plans prior to a termination? Applicant planning, layoffs or a reduction in workforce? If "Yes" and if such layoff or reduction in workforce is more than 5% of the workforce or more ☐ Yes ☐ No

than 50 employees, please respond to the following:

- a. ~~Provide a description of the Applicant's procedures for conducting a staff reduction and management level/positions involved in this process.~~ ☐ Yes ☐ No
- b. ~~Does the Applicant analyze whether protected classes will be adversely impacted as a result of a staff reduction?~~ ☐ Yes ☐ No
- c. ~~Is the analysis reviewed by outside counsel?~~ ☐ Yes ☐ No
- d. ~~Does the Applicant utilize consistent criteria to determine which employees will be impacted?~~ ☐ Yes ☐ No
- e. ~~Does the applicant have a written severance and waiver agreement in place?~~ ☐ Yes ☐ No
5. In the past 12 months, has the Applicant reviewed employee classification and documentation of exempt, nonexempt, and independent contractors? ☐ Yes ☐ No ☐ N/A
If yes, and more than 25 employees were involved, was the review done with outside counsel? ☐ Yes ☐ No
In the past 24 months has the Applicant been involved in or received notice of:
a. Litigation regarding wrongful termination, harassment or discrimination?
b. An investigation from the Equal Employment Opportunity Commission?
6. Does the Applicant conduct documented anti-discrimination and anti-harassment training for employees (whether or not required by law)? ☐ Yes ☐ No

VIII. FIDUCIARY LIABILITY INFORMATION

1. Complete the chart regarding the ~~Please list the names and types of~~ Applicant's ~~employee~~ benefits plan(s). Attach additional pages if needed.

Plan Names (Other than health & welfare plans)	Plan Assets (Current year)	Type of Plan*	Funding & (DB only) Under Funded by > 25%	Number of Plan Participants	Plan Status**
	\$		_____ % <input type="checkbox"/> Yes <input type="checkbox"/> No		
	\$		_____ % <input type="checkbox"/> Yes <input type="checkbox"/> No		
	\$		_____ % <input type="checkbox"/> Yes <input type="checkbox"/> No		

* Defined Contribution (DC), Defined Benefit (DB), ~~Employee Stock Ownership (ESOP)~~, Excess Benefit or Top Hat (EBP)

** Funding % is the funding percentage of current value of plan assets to the funding target (or accumulated benefit obligation)

*** Active (A), Frozen (F), Sold (S), Terminated (T)-Include date of termination

2. Are all plans in compliance with plan agreements and ERISA? If No, attach an explanation. ☐ Yes ☐ No
In the past 24 months or the next 12 months has/will any plan:
a. Been amended in a way that will result in the reduction of benefits? ☐ Yes ☐ No
b. Contemplated or concluded any restructuring, spin-off, transfer, consolidation, merger, termination or other similar transaction?
If "Yes," please describe: _____
3. In the past 12 months or the next 12 months has/will any plan: ~~In the past 24 months have plans and guidelines been reviewed and updated for compliance with plan agreements, ERISA, written investment guidelines, and Health Insurance Portability and Accountability Act (HIPAA)?~~
If "No," please describe: _____
a. Be amended in a way that will result in the reduction of benefits? ☐ Yes ☐ No
b. Contemplate or conclude any restructuring, spin-off, transfer, consolidation, merger, termination or other similar transaction? ☐ Yes ☐ No
4. During the past 12 months, has there been or is there currently any investigation or audit by the IRS, DOL, PBGC or any other state or federal agency of an employee benefit plan or any current or former fiduciary of such employee benefit plan? ☐ Yes ☐ No
In the past 24 months or the next 12 months has/will any employee benefit plan:
a. Invested in securities of the Applicant? ☐ Yes ☐ No

b. Invested in more than 10% of any entity other than the Applicant or a pooled investment vehicle such as a mutual fund?

☐ Yes ☐ No

c. Loaned or pledged any employees benefit plan assets to any party in interest (including the Applicant)?

If "Yes" to any of the above in Question 4, please attach a full description with details.

IX. CYBER PRIVACY AND SECURITY COVERAGE

General Information

1. Number of Customers: _____ Gross Revenue from on-line sales or services: _____

2. Please list the estimated number of records that contain each of the following sensitive data types from past, present or future individuals or firms such as customers, vendors or employees.

Sensitive Data	Sensitive Data Description	Number Scope	Number
Payment Card Industry (PCI)	Credit/Debit Card data addressed by Payment Card Industry Security Standards	12 Months Card Transactions	_____
Health Care Information (HCI)	Healthcare data subject to HIPAA Privacy and Security Rules from employees or patients	Unique People currently stored	_____
Other Personally Identifiable Information (PII)	Other Data not counted above protected by Federal or State Identity theft laws such as Social Security, Driver's License, Student ID, Financial Account, Tax ID or Retirement Account Numbers	Unique People and Firms currently stored	_____

a. If any of the above data is stored, where does the Applicant store any such data?

☐ Third Party Cloud Server ☐ Own Web Server ☐ Server not directly connected to the internet

b. Does the Applicant store any PCI data? _____ ☐ Yes ☐ No

3. Does the Applicant encrypt private or sensitive data (if Yes, select all that apply): _____ ☐ Yes ☐ No

☐ Data at Rest ☐ Data in transit ☐ Data on mobile devices (i.e. laptops, mobile devices, or USB drives)

Controls and Procedures

4. Does the Applicant have the following written plans and/or services? (check all that apply)

☐ Information Security Policies ☐ Cyber Risk Assessment
☐ Cyber Incident Response Plan ☐ Computer Business Continuity or Disaster Recovery Plan

a. Have you updated / tested any of these plans in the last 12 months? _____ ☐ Yes ☐ No

b. Do your Cyber Incident and your Disaster Recovery plans have pre-assigned people and vendors with current contact information assigned to critical tasks? _____ ☐ Yes ☐ No

IMPORTANT: Hanover offers its policyholders the opportunity to contract with a Cyber Risk Management Service provider for such Plans, Pre-Assignment and Testing. See your agent for details.

5. Which of the following does the Applicant currently have in place (check all that apply):

☐ Active/Updated Firewall and Anti-Virus ☐ Smart passwords & required changes
☐ Active/Updated Email Anti-Malware ☐ Sensitive Data Segmentation and Procedures
☐ Physical POS terminal monitoring ☐ Account Monitoring and Control
☐ Intrusion detection software ☐ Continuous vulnerability assessment & remediation
☐ Key card access ☐ Change of Default Passwords / Settings
☐ Remote access VPN

6. Does the Applicant have training and enforce written policies regarding the following?

a. Proper usage of the Internet, social networking, email, and sensitive paper documents ☐ Yes ☐ No
b. How to identify and report Virus's, Phishing Scams and Ransomware Attacks ☐ Yes ☐ No
c. Background checks on prospective employees who will have access to sensitive data ☐ Yes ☐ No
d. Termination of network access upon termination of a third party or employee ☐ Yes ☐ No
e. Allow employees to use their own devices on your network ☐ Yes ☐ No
f. Blocked ability to store data on USB drives or print to unknown printers ☐ Yes ☐ No
g. Prohibition of using any computer hardware or software that is no longer supported with ☐ Yes ☐ No

- security updates from the manufacturer ☐ Yes ☐ No
h. Requirements to review the cyber security audits of third-party service providers ☐ Yes ☐ No
i. Requirements that the Applicant be indemnified and "held harmless" for the errors or omissions of any computer service provider ☐ Yes ☐ No

7. Do you have a backup system for software and data? If so, check all that apply: ☐ Yes ☐ No
☐ Separated from the network ☐ Backed-up weekly ☐ Tested annually ☐ Operational within 24 hours

Please note any explanations to any "No" answers for Questions 4 through 7 here: _____

8. Has the Applicant created any new website or mobile applications for its customers in the last 12 months? ☐ Yes ☐ No
If Yes, did the Applicant do this in-house? ☐ Yes ☐ No
If Yes, was the application scanned for vulnerabilities, using the latest software? ☐ Yes ☐ No

Outside Compliance and Cyber Audits

9. If the Applicant has had any Payment Card Industry Data Security Standard (PCI DSS) reviews:
a. Has the Applicant been in full compliance with the Payment Card Industry Data Security Standard (PCI DSS) for the past 3 years? If, no please explain. _____ ☐ Yes ☐ No ☐ N/A
b. Has the Applicant had any critical recommendations in the past 3 years that required remediation in order to remain compliant with PCI DDS requirements? If, Yes please explain. _____ ☐ Yes ☐ No ☐ N/A
10. If the Applicant is a healthcare organization:
a. Has the Applicant been in full compliance with HITECH Act for the past 3 years? If, no please explain. _____ ☐ Yes ☐ No ☐ N/A
b. Has the Applicant been audited by The Department of Health and Human Services (HHS) or any other agency under the authority of HHS, for their compliance with HIPAA Privacy Rule or Security Rule in the past 3 years? ☐ Yes ☐ No ☐ N/A
Please indicate any areas where the Applicant was found not to be in compliance: _____

Past Activity

10. Is the Applicant aware of any attempted unauthorized access or cyber-attacks in the past 24 months? ☐ Yes ☐ No
If unauthorized access was obtained, please provide details. _____

XVII. CRIME COVERAGE

Basic Crime Controls

1. Does the Applicant prohibit employees who reconcile the monthly bank statements from also:
Signing Checks ☐ Yes ☐ No ☐ N/A
Handling Deposits ☐ Yes ☐ No
Making Withdrawals If the Applicant does not have an external audit, or an internal audit department, does the Applicant have someone with internal audit responsibilities? ☐ Yes ☐ No
2. Does the Applicant follow a written policy or procedure to:
☐ Yes ☐ No
a. Utilize a Master List to assist in detecting payments to unauthorized or fictitious vendors/suppliers? ☐ Yes ☐ No
b. Verify and reconcile all invoices to corresponding purchase orders and a Master List prior to issuing payment? ☐ Yes ☐ No
c. Authenticate all requests to change vendor/supplier bank account information received via email, phone and text with a call back to the pre-determined vendor/supplier contact and phone number prior to wire transferring any funds? ☐ Yes ☐ No
d. Reconcile all funds transfers on the same day and by a person who did not initiate the request? have controls within its human resources and/or payroll operations that prevent the input of fictitious employees and salaries into its payroll systems? ☐ Yes ☐ No
3. Does the Applicant have written policies and procedures requiring employees that process wire transfers to never process an internal request, (inclusive of requests by owners) without

first validating the request with a call back to the requestor at a pre-determined work phone number or by face to face confirmation? Are passwords and access codes changed regularly and when users are terminated?

☐ Yes ☐ No

4. Are employees of the Applicant, particularly those that are responsible for wire transfers or that have access to company assets, provided with anti-fraud training to include how to detect phishing, spear phishing and other fraudulent social engineering schemes?

☐ Yes ☐ No

Checking and Bank Account Controls

5. With regards to checking, has a report of payments made by check or wire transfer been generated and reviewed monthly for unusual payments for the past 24 months by separate people who did not process the transactions?

☐ Yes ☐ No

Vendors

6. Do you verify and reconcile all invoices to purchase orders and master vendor/customer lists before making any payments?

☐ Yes ☐ No

7. Do you have procedures in place to verify the authenticity and ownership of new vendors before adding them to the Master Vendor List?

☐ Yes ☐ No

If so, is the employee who verifies the new vendor restricted from editing the list?

☐ Yes ☐ No

8. Is a Master Vendor List utilized to assist in detecting payments to unauthorized or fictitious vendors or suppliers during an internal audit or reconciliation process?

☐ Yes ☐ No

Funds Transfers

9. Regarding funds transfer requests:

a. Does your staff do more than one funds transfer request a month?

☐ Yes ☐ No

b. Are funds transfer verifications reconciled the same day by a person who did not initiate the request?

☐ Yes ☐ No

c. Are employees that are responsible for funds transfers provided anti-fraud training, including detection of false pretenses, social engineering, phishing or other confidence scams?

☐ Yes ☐ No

If so, does this training include not replying to the initiating request email or phone number but using the master list contact information to reply to the request?

☐ Yes ☐ No

Inventory

10. Is a physical count of inventory conducted at least annually? If "Yes" how often in the last 12 months? _____

☐ Yes ☐ No

11. Is a perpetual inventory maintained for retail/warehouse inventory or manufacture stock/scrap/finished goods?

☐ Yes ☐ No

XVII. KIDNAP & RANSOM COVERAGE

1. Complete the following information chart regarding the foreign travel of the Applicant:

2.1. Please attach additional pages if needed.

City and Country Visited	Number of annual trips	Average length of stay	Number of employees traveling	Number of independent contractors traveling

- 3.2. Describe the Applicant's security precautions while traveling, both domestic and international, including use of security consultants: _____

XII. MATERIAL CHANGE

If any of the Applicants discover or become aware of any significant change in the condition of the Applicant between the date of this **Application** and the policy inception date, which would render the **Application** inaccurate or incomplete, notice of such change will be reported in writing to us immediately and any outstanding quotation may be modified or withdrawn.

XIII. DECLARATIONS, NOTICE AND SIGNATURES

The submission of this Renewal Application does not obligate the **Insurer** to issue, or the Applicant to purchase, a policy. The Applicant will be advised if the **Application** for coverage is accepted. The Applicant hereby authorizes the **Insurer** to make any inquiry in connection with this **Application**.

The undersigned, acting on behalf of all Applicants, declare that to the best of their knowledge and belief, after reasonable inquiry, the statements set forth in this **Application** and in any attachments or other documents submitted with the **Application** are true and complete and were made to obtain requested information from each and every Applicant proposed for this insurance to facilitate the proper and accurate completion of this **Application**.

The undersigned agree that the information provided in this **Application** and any material submitted herewith are the representations of all the Applicants and the basis for issuance of the insurance policy should a policy providing the requested coverage be issued, and that the **Insurer** will have relied on all such materials in issuing any such policy. The undersigned further agree that the **Application** and any material submitted herewith shall be considered attached to and a part of the policy. Any material submitted with the **Application** shall be maintained on file (either electronically or paper) with us.

The information requested in this Renewal Application is for underwriting purposes only and does not constitute notice to the **Insurer** under any policy, of a **Claim** or potential **Claim**.

NOTICE TO ALABAMA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution, fines or confinement in prison, or any combination thereof.

NOTICE TO ARIZONA AND MISSOURI APPLICANTS: Claim Expenses are Inside the Policy Limits. All claim expenses shall first be subtracted from the limit of liability, with the remainder, if any, being the amount available to pay for damages.

NOTICE TO ARKANSAS, LOUISIANA AND WEST VIRGINIA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO CALIFORNIA APPLICANTS: For your protection, California law requires the following to appear on this form: Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

NOTICE TO HAWAII APPLICANTS: For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

NOTICE TO IDAHO AND OKLAHOMA APPLICANTS: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO KANSAS APPLICANTS: Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. A fraudulent insurance act means an act committed by any

person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

NOTICE TO MAINE, TENNESSEE, VIRGINIA, AND WASHINGTON APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

NOTICE TO MARYLAND APPLICANTS: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO MICHIGAN APPLICANTS: Any person who knowingly and with intent to defraud an insurance company or another person, files an application for insurance containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent act, which is a crime and subjects the person to criminal and civil penalties.

NOTICE TO NEW JERSEY APPLICANTS: Any person who knowingly includes any false or misleading information on an application for an insurance policy or files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

NOTICE TO NEW HAMPSHIRE APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages.

NOTICE TO NEW MEXICO AND RHODE ISLAND APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO OREGON APPLICANTS: Any person who knowingly and with intent to defraud or solicit another to defraud any insurance company: (1) by submitting an application, or (2) by filing a claim containing a false statement as to any material fact, may be violating state law.

NOTICE TO PENNSYLVANIA APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO VERMONT APPLICANTS: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

Note: This **Application** must be signed by the chief executive officer or chief financial officer of the Applicant acting as the authorized representatives of the person(s) and entity(ies) proposed for this insurance.

Date

Signature

Title

Supporting Documentation: please attach a copy of the following for every Applicant seeking coverage:

☐ Most recent CPA prepared financial statements

- ☐ Most recent CPA Letter to Management and Management's response. If this Letter is not issued, check here: ☐
- ☐ Employment Practices Liability (for Applicants with 500 or more employees):
- ☐ Employee handbook ☐ Employment application form
 - ☐ Most recent EEO-1 ☐ Third party policies and statements, if requesting such coverage

Separate applications may be required:

- Third Party Crime Application, if coverage for Employee Theft of Client Property is requested
- Construction Supplemental Application, if **Applicant** is a contractor
- Downsizing Supplemental Application, if impact of **Applicant** layoffs is greater than 50 employees

Produced By: Agent: _____ Agency: _____

Agency Taxpayer ID or SS No.: _____

Agent License No.: _____ Agent Signature: _____

Address (Street, City, State, Zip): _____

Agent Email Address: _____

The Hanover Insurance Group Advantage Portfolio Management Liability Form Filing Memorandum

The Hanover Insurance Company ("Hanover") is submitting the enclosed filing to update the Hanover's Advantage Portfolio product. The Advantage Portfolio product includes the following coverages for both Private Company and Nonprofit Entity insureds.

- Directors & Officers and Entity Liability
- Employment Practices Liability
- Fiduciary Liability
- Cyber Privacy and Security
- Crime
- Kidnap & Ransom

For ease of doing business, we are

- Revising the following renewal applications:

904 7038 APP 12/17 Private Company Advantage Renewal Application-Short Form

(revised) - 904 7038 APP 08/19 Private Company Advantage Renewal Application

904 7041NP APP 12/17 Nonprofit Entity Advantage Renewal Application-Short Form

(revised) - 904 7041NP APP 08/19 Nonprofit Entity Advantage Renewal Application

We are making these revisions as it was determined the re-design of the above-identified recently approved applications were better suited to broadly meet the needs of our insureds.

- Introducing the following renewal application:

904 7042 APP 08/19 Cyber Privacy and Security Renewal Application

- Introducing the following companion application:

904 7044 APP 08/19 Directors and Officers Liability Companion Application

904 7045 APP 08/19 Employment Practices Liability Companion Application

904 7046 APP 08/19 Fiduciary Liability Companion Application

904 7047 APP 08/19 Crime Companion Application

We are introducing the companion applications to request information for a single line of business where there is increased exposure (ie., a brand new coverage part and/ or higher limit).